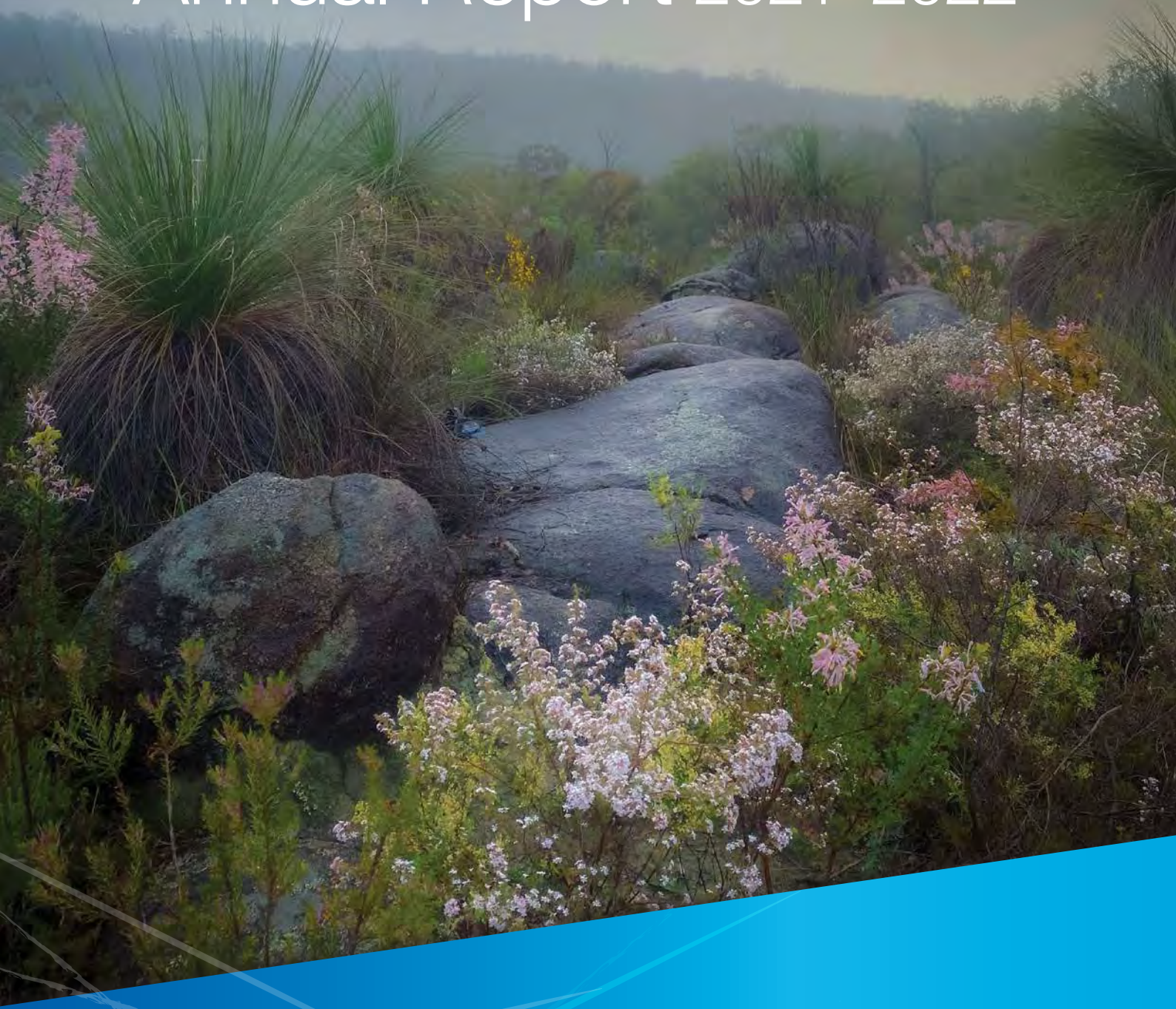


■ Annual Report 2021–2022





Acknowledgement of Country



Shire of Mundaring respectfully acknowledges the Wadjuk people of the Noongar Nation, who are the traditional custodians of this land.

We acknowledge Elders past, present and emerging and respect their continuing culture and the contributions they make to the region.

■ Front cover: *Enchanted, John Forrest National Park, 2021* by Aaron Cuthbert.
Back cover: *Misty Weir, Mundaring Weir, 2021* by Lauren Englund.

Annual Report 2021–2022

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About this Annual Report

Local governments are required, under the *Local Government Act 1995*, to produce an Annual Report before 31 December each year.

While this report must meet certain statutory requirements, the 2021/22 Annual Report also highlights Shire of Mundaring's operational and financial performance for the past financial year and provides an overview of the Shire's future outlook.

This report informs the reader how the Shire is delivering on its vision to be 'the place for sustainable living'.

This vision was adopted in March 2020 following a major review of the Strategic Community Plan.

The review demonstrated a desire of the people within the Shire of Mundaring for sustainable living and a move towards a more community and business led approach where leadership, collaboration and inclusivity are embraced.

The Strategic Community Plan and its supporting Corporate Business Plan form the Shire's roadmap for the future and detail the community's aspirations for the Shire of Mundaring.

These two plans are part of the Integrated Planning and Reporting Framework, which is applied by all local governments in Western Australia.

■ If you would like to provide feedback on the Annual Report please email the Shire at shire@mundaring.wa.gov.au

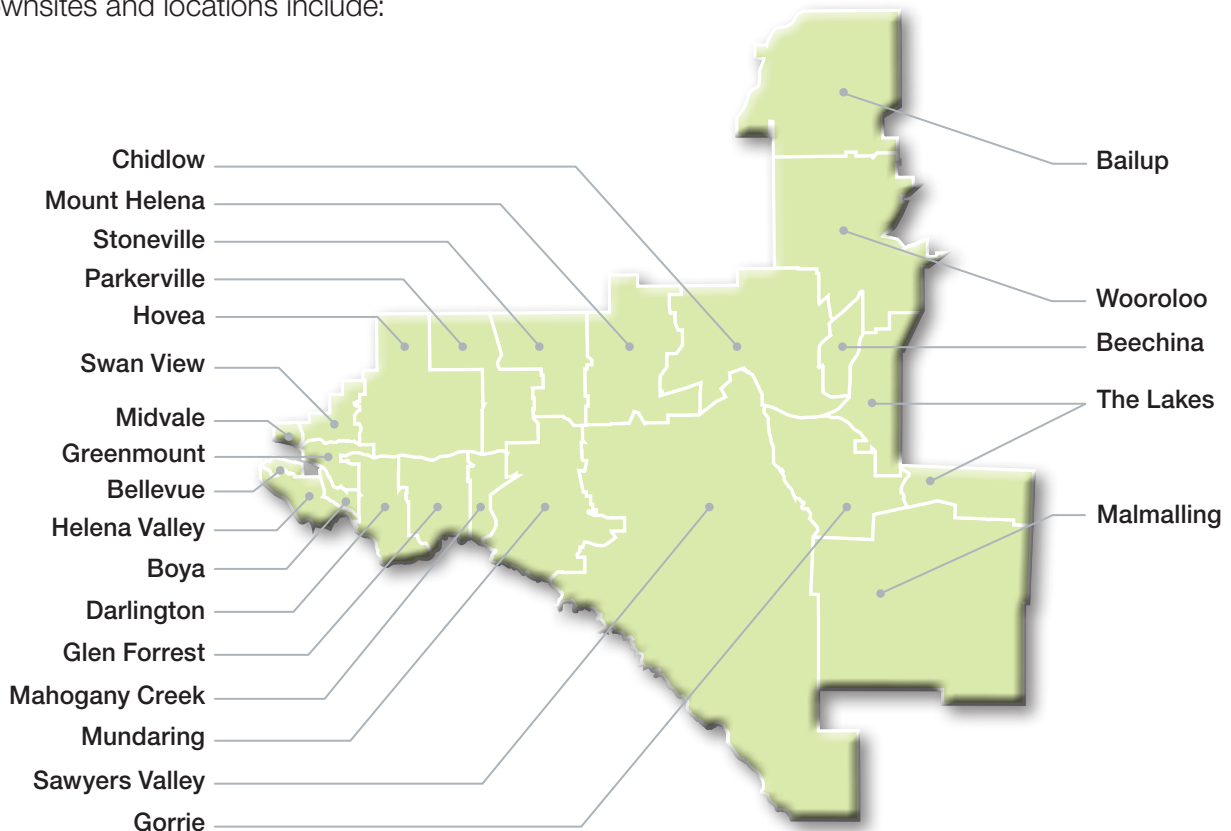
Alternative formats of this document are available upon request.

About us

The Shire of Mundaring is located on the eastern fringe of Perth, approximately 35 kilometres from the Perth CBD.

It encompasses a total land mass of 644 km², of which nearly half is National Park, State Forest or water catchments. The largest industries are construction, manufacturing, rental hiring and real estate services.

Townsites and locations include:



Community vision

The place for sustainable living

We value:

- **Protection of the natural environment**
- **A peaceful lifestyle**
- **A safe and inclusive community.**



Shire President's message



■ It is my pleasure to present the 2021/2022 Annual Report.

This year, progress in the areas of Climate Change and Heritage initiatives have been incorporated into this report in response to motions from the Annual Electors meeting. You can read about these initiatives on pages 15 and 30.

During the reporting year, the Shire celebrated many achievements and highlights, despite being susceptible to the economic pressures imposed by global crises.

The Shire's commitment to the recovery phase of the Wooroloo bushfire continued into its second year. The Shire and City of Swan respectfully acknowledged 1 February 2022 as twelve months since the bushfire. The date was marked with the *12 Months On – an Exhibition of Community Images*, along with several reflective events throughout the week for those affected by the fire.

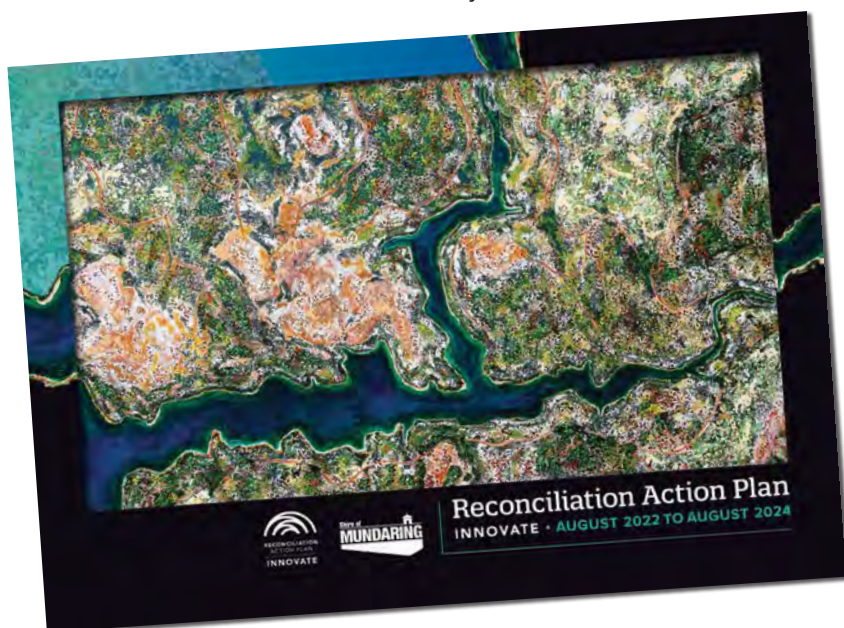
The Shire has spent much of the year engaging with Traditional Owners, service providers and local community groups and businesses to prepare our first Reconciliation Action Plan (RAP). The RAP was officially accredited by Reconciliation Australia in September 2022. It was endorsed for implementation by Council in November, and outlines Council's vision, actions and commitment to reconciliation.

During the reporting year, the Shire delivered a \$9.5 million Capital Works Program. Some of the key projects delivered include the \$200,000 Morgan John Morgan Reserve Park upgrades boasting a new grassed area with seating and shelters, and a connecting pathway from the shops to the play area.

Further upgrades include a \$200,000 investment at Mundaring Cemetery for concrete flooring around the niche walls, steps, railings and capping to the niche walls.

The Shire also invested \$9.45M to maintain 681 km of roads, \$4.2M to maintain our parks, ovals and reserves and street trees.

Moreover, plans for the Mundaring Multi-purpose Community Facility also progressed with Council considering a draft 'Property Strategy and Land Assembly Plan.' The project has now moved to stage two and will be undertaken over three years. You can read more about the project on page 20.



Volunteers play a vital role in ensuring our Shire is an inclusive and welcoming place to live and visit. This year, the Shire's volunteers devoted 6903.50 total annual hours across the Shire's libraries, Visitor Centre, and Hub of the Hills, equating to \$308,964 per annum replacement cost to the Shire.

Throughout the year, the Shire welcomed 63 new citizens across four citizenship ceremonies.

A slight increase in rates of three per cent was applied in the 2022/2023 financial year to accommodate for the increase in costs due to inflation.

I would like to thank my fellow Councillors for their dedication and commitment to Council. In October 2021, we welcomed six new Councillors including Deputy Shire President, Paige McNeil.

I also thank our retiring Councillors Toni Burbidge, Kate Driver, David Lavell, Darrell Jones, Jason Russell and Ian Green who have served our community. Thank you.

In July, we welcomed our new East Ward Councillor, Claire Hurst, who was elected following the resignation of Cr Simon Cuthbert in April. I would like to thank former Cr Cuthbert for his tireless service and exceptional commitment to our community.

Moving forward, the Shire's overall operating budget of \$56.9 million for 2022/2023 will deliver a range of key projects upgrades to the Bilgoman Aquatic Centre Change rooms and the Scott Street Bridge.

This annual report is a summary of our key achievements over the past year and presents an outline of our future direction. Together with fellow Council members and the Shire team, we look forward to supporting our community and delivering on key projects and initiatives.

Cr James Martin

Shire President

CEO's message



■ **The 2021/2022 financial year once again reflected that the Shire is not immune to global and domestic economic impacts.**

The Shire was required to navigate the challenges of COVID-19, skills shortages, supply chain disruption and increasing inflation rates but wasn't deterred from delivering its core services and capital works projects as identified in the Corporate Business Plan. And when the global COVID-19 pandemic started having a greater impact on WA at the end of 2021, the Shire remained committed to supporting its community in new ways.

One such initiative saw the Shire's Library Services staff and volunteers assisting library users through facilitated workshops and individual sessions to access the ServiceWA app and COVID-19 vaccination certificates.

Further, to assist small businesses and economic recovery, the Shire removed the requirement for 83 home businesses to annually renew their home business approvals, saving each approval holder \$100 per annum. You can read more about our response to COVID challenges further in the report.

Highlights of the year include:

- In continuing our efforts to be a waterwise council, the Shire adopted a new WaterWise Council Action Plan and subsequently it received Gold WaterWise Council certification from Water Corporation. A commemorative bench was gifted in recognition of this achievement, which has been installed at Morgan John Morgan Reserve in Glen Forrest.

- The Shire was recognised as one of the top five councils in the metropolitan area for its management of electronic waste.
- In June, the Shire was named as a finalist in the Local Government category at the 2022 Master Builders–Bankwest Housing Excellence Awards.

The Shire's commitment to the recovery phase of the Wooroloo bushfire continued this year, acknowledging 12 months since the fire on 1 February 2021. The Shire, along with its Project Officer – Community Recovery, continued to collaborate with the City of Swan, Department of Communities, Australian Red Cross and DFES in the recovery.

Supporting environmental-based activities to enhance knowledge and support the Wooroloo Community Team to facilitate community-led initiatives was a key focus of this effort. In June the community celebrated the opening of the Wooroloo Garden for the Community at Wooroloo Hall. The garden was funded by a \$6630 grant from the Department of Communities – Community Garden Program, and additional financial support from Mundaring Community Bank and assistance from Parky Care. The garden is envisioned to foster social connection, a place to share fire smart and waterwise planting tips, community gardening information sessions, and to serve as a reflective space. You can read more about our bushfire recovery on pages 31 to 33.

This year also saw delivery of a new and improved Shire of Mundaring website. The clean, new design features functionality and accessibility improvements. Delivering a streamlined customer experience, with ease of access to information via the navigation menu and search function, it is also responsive and improves accessibility requirements for people with a disability—a core value of the Shire is to provide a safe and inclusive community.

At the October 2021 Local Government elections we welcomed six new council members: Jo Cicchini, Paige McNeil, Luke Ellery, Trish Cook, Neridah Zlatnik and Karen Beale. In March Cr Simon Cuthbert resigned, and in June a special election was held to elect his replacement. Cr Claire Hurst commenced in July. This has resulted in a history making majority representation of female council members in the Shire of Mundaring.

Outgoing council members Toni Burbidge, Darrell Jones, David Lavell, Kate Driver, Ian Green, Jason Russell and Simon Cuthbert are to be commended and thanked for their support and dedication to Council and the community during their terms of office.

My thanks also to the Shire's Executive Leadership Team who have supported me in successfully leading the Shire through another year of great achievement while navigating the challenging external environment.

Thanks must also go to all of the Shire's wonderful, dedicated and caring employees, whose common purpose is to improve the wellbeing of the community.

As mentioned earlier, in addition to the impact of the global pandemic the Shire has also faced some of the strongest economic headwinds seen in a generation. Rapidly ascending inflation, to levels not seen in 30 years, continues to put pressure on the cost of delivery of Shire services.

In appreciation of this, at the end of the 2021/22 financial year Council carefully considered, and where appropriate, determined affordable increases in the cost of service delivery in its budgeting for 2022/2023 to ensure the community could continue to receive the services it expects.

As a result of this deliberation, the Shire has a robust plan for the 2022/2023 financial year and beyond. I look forward to seeing the projects and new strategies come to life as we continue to work towards the Shire's vision for Mundaring, which is to be a place for sustainable living.

Jonathan Throssell

Chief Executive Officer



Future direction

The ten-year Strategic Community Plan was adopted by Council in March 2020. The four-year Corporate Business Plan was adopted in July 2022 as part of an annual review.

Projects planned for the next 12 months include:

- Conversion of street lighting to LED lights which, over the life of the project, will realise financial savings and environmental benefits
- Upgrades to the Scott Street bridge
- Upgrades to the Bilgoman Aquatic Centre change rooms
- Upgrades to Mt Helena Oval change rooms
- Upgrades to Norris Park with BBQ area and new play equipment
- Development of a masterplan for Brown Park Recreation Precinct
- Upgrades to Triandra Park
- Sawyers Valley Oval upgrades
- Upgrades to the Keane Street and McVicar Road roundabout
- Glen Forrest Tennis Court additional lighting and conversion to LED lighting
- Works to achieve Disability Access Program
- Upgrades to Brown Park Community Centre; and
- Cycle Path from Chidlow town site to Lake Leschenaultia.

Other initiatives for the Shire include:

- Development of various strategies including:
 - Local Biodiversity Strategy
 - Signage Strategy
 - Economic Development and Tourism Strategy
 - Heritage Strategy.
- Development of an environmental reserve fund for future projects to reduce emissions, protect and enhance our environment and promote green initiatives.

Highlights of the year

This Annual Report details Shire of Mundaring's progress against the strategic objectives contained in the Strategic Community Plan 2020/30 and the Corporate Business Plan 2021/22.

Together these plans form the blueprint for the future across four aspirational objectives:

- Community
- Governance
- Built Environment
- Natural Environment.

See the following pages for highlights from these areas for the reporting year.



Community

- **116,687** Aquatic Centre entries
- **12,540** camp visitor days at Lake Leschenaultia
- **97,352** Library visits
- **109** media releases distributed
- **862,739** page views on the Shire's website
- **7** major Shire events
- **5754** venue bookings for community facilities
- **4500** users of Hub of the Hills





Governance

- **1613** jobs attended by Rangers
- **21,664** in person reception enquiries
- **45** Council and committee meetings
- **\$4 million** value of Capital Grants received
- **1126** pool inspections

“... the Shire has a robust plan for the 2022/2023 financial year and beyond...”

Built Environment

■ **\$1.7 million** property maintenance program

■ **\$402 million** total asset value managed

■ **\$2.8 million** civil works maintenance program

■ **389** development applications determined



Natural Environment

- **390,585** kerbside recycling bins collected
- **303** successful Seedlings for Landcare program applications
- **\$3.9 million** Parks and maintenance program
- **250** participants at environmental education workshops
- **4,575,628** containers were recycled through the Containers for Change program at the Coppin Road refund point



Volunteers

- During the 2021/22 reporting year, there were **6018** volunteers in the Shire.
- 250,000** hours contributed by Volunteer Bushfire Brigades.
- This represents **\$12,002,500** per annum replacement cost to the Shire.
- 6903.50** total annual hours across the Shire's libraries, Visitor Centre and Hub of the Hills. This equates to a **\$308,964** per annum replacement cost to the Shire.



Friends Groups

- The Shire has **70** registered Friends of Reserves Groups, comprising of **195** registered volunteers.

The groups operate on a volunteer basis to maintain our reserves. The groups' main activities include: hand weeding; planting local endemic tube stock to restore habitat; cleaning up litter; applying for grant funding for chemical and non-chemical weed control, seedlings, rock ruffling and nest boxes; and community engagement and education.

Some Friends Group members also participate as members of local catchment groups including Helena River, Jane Brook and Susannah Brook. Catchment groups oversee the ecological health of water catchment areas feeding into local tributaries.

Catchment groups are incorporated and often hold grant funding for friends groups and provide volunteers with an opportunity to network and form a collaborative approach to Landcare.

- In the 2021/22 financial year, **38** friends groups' volunteers recorded a contribution of **5739** hours, with a replacement cost of **\$286,950**.

Thirty groups received a total of 3584 seedlings through the 2022 Seedlings for Landcare Program.

- Sandy Stone has volunteered for 25 years with the Friends of Blue Wren Reserve Group.

Seedlings for Landcare 2022

Our project delivered 20,000 free native seedlings:



14,150
private landowners



250 to community
groups



3580 to
friends groups



1300 to schools



720 to
revegetation programs



Climate Change initiatives

Climate Change issues are at the forefront of Council's agenda.

During the 2021/2022 financial year, the Shire implemented a number of initiatives to reduce its energy use and greenhouse gas emissions.

Upgrades to facilities

- Converted indoor sports halls lighting to LED at Brown Park Community Centre (\$19,500).
- Converted lighting to LED on Darlington tennis court (\$33,000).
- Supported the purchase and installation of pool blankets by the Mt Helena Swimming Club at Mt Helena Aquatic Centre.
- Installed LED lights in all light fittings at Lake Leschenaultia.
- Joined 50 WA local governments for a 'bulk buy' of renewable energy for high electricity use facilities in March 2022.
- Planning for LED lighting retrofit in the Shire's Administration building.
- Planning for additional solar and battery storage at Mundaring Arena.
- Undertook planning to install solar panels at the Lake Leschenaultia Kiosk, Darlington Volunteer Bush Fire Brigade and Bilgoman Aquatic Centre.
- Upgraded the solar collector for the hot water heating system at Mt Helena Aquatic Centre.





■ Total Green Recycling presented the Shire with a framed photograph of a local landscape for being a top five council in the metropolitan area for electronic waste (eWaste) recycling.

Sustainable and Environmental events and activities

- Fourteen environmental talks, workshops and webinars were held including Black-Cockatoo Ecology, Firewise Landscaping, Fauna Foray at Karakamia Wildlife Sanctuary, Eco-friendly cleaning, Growing Your Own Vegetables, and Bird Photography for Kids and Teens.
- Seedlings for Landcare Program delivered 20,000 free native seedlings.
- Actively promoted the Seed Library at Mundaring Library.
- Twenty Year 11 La Salle College students planted over 500 seedlings at Broz Park as part of regeneration works along the watercourse in June.
- The Shire was named in the top five councils in the metropolitan area for electronic waste recycling by Total Green Recycling in June. Over 33,202 kg of old computers and other electronic waste was recycled in the Shire in 2021.

Environmentally friendly campaigns

- Social media campaign to assist local businesses with the State government's ban on certain plastics from 1 July.
- A social media campaign between July 2021 and June 2022 helped to promote the Shire's Containers Refund point at Coppin Road Community Recycling Centre.
- A campaign was launched by the Communications and Rates teams to encourage residents to 'go green with eRates.' Messaging was shared across the Shire's Community Update page, social media platforms, latest news on the website, and in the 2021/2022 Rates booklet.



*“...Fourteen
environmental talks,
workshops and
webinars were held...”*



“... the revitalisation of
the Mundaring Town
Centre into a vibrant and
contemporary space...”

Key projects

■ Morgan John Morgan Reserve upgrades delivered
The \$200,000 Morgan John Morgan Reserve park upgrade was completed in June 2022.

The upgrade boasts a new grassed area at the western end of the park with seating and shelters. There is a connecting pathway from the shops with a ramp to the new lawn through to the play area.

The play area also received a new accessible sand digger in the sand pit. Safety fencing along the boundary was installed to separate the play area from the parking area.

Historical information boards were installed in the first half of the 2022/2023 financial year.

The upgrades commenced in April 2021, following community consultation, with the assistance of the Glen Forrest Residents and Ratepayers Association and resulting implementation of the Masterplan.

The project was funded by a grant from the Federal Government Community Development Grants Program.



■ Update on Mundaring Multi-purpose Community Facility

Council considered a draft 'Property Strategy and Land Assembly Plan' for the proposed Mundaring Multi-purpose Community Facility (MPCF) project at a Special Council Meeting on Tuesday 20 July 2021.

Council resolved to note the preferred delivery model, relocation management plan and the road-map for the project, which will see the revitalisation of the Mundaring Town Centre into a vibrant and contemporary space.

The Preferred Delivery Model will see the new Multi-purpose Community Facility located in the precinct between Mundaring Weir Road and Craig, Nichol and Jacoby Streets. Nichol Street will be enhanced as a main street, with convenient and well-designed short and long-term parking provided in the precinct.

Activated street frontages and vibrant public spaces, contemporary design of new

buildings, mixed use buildings, will contribute to creating a new civic and cultural heart for Mundaring.

At a Special Council Meeting in July 2022, Council adopted the Shire's Budget, Long Term Financial Plan and Corporate Business Plan which now enables the MPCF project to progress to Stage two.

Stage two will be undertaken over a three year period and will encompass detailed planning and design, underpinned and informed by extensive community and stakeholder engagement. This stage will also see business case development, operational modelling, concept designs, land assembly works, cost estimates and attainment of funding activities undertaken.

Pending the results and further Council decisions resulting from Stage two, Stage three (detailed design and tendering) would occur in 2026/27. Pending Council decisions from Stage three, Stage four (construction and fit out) would commence from 2027/28.





■ Michelle Roberts MLA, Member for Midland, Cr Luke Ellery, Nikki Miller, Manager Grants Development at Lotterywest, Cr Trish Cook, and Sue McCann and Deanna Clark from the Helena Valley Ratepayers Association met at Broz Park to officially receive the \$229,114 grant.

■ Broz Park receives Lotterywest funding

In August 2021 the Shire celebrated receipt of a \$229,114 Lotterywest grant for upgrades at Broz Park in Helena Valley.

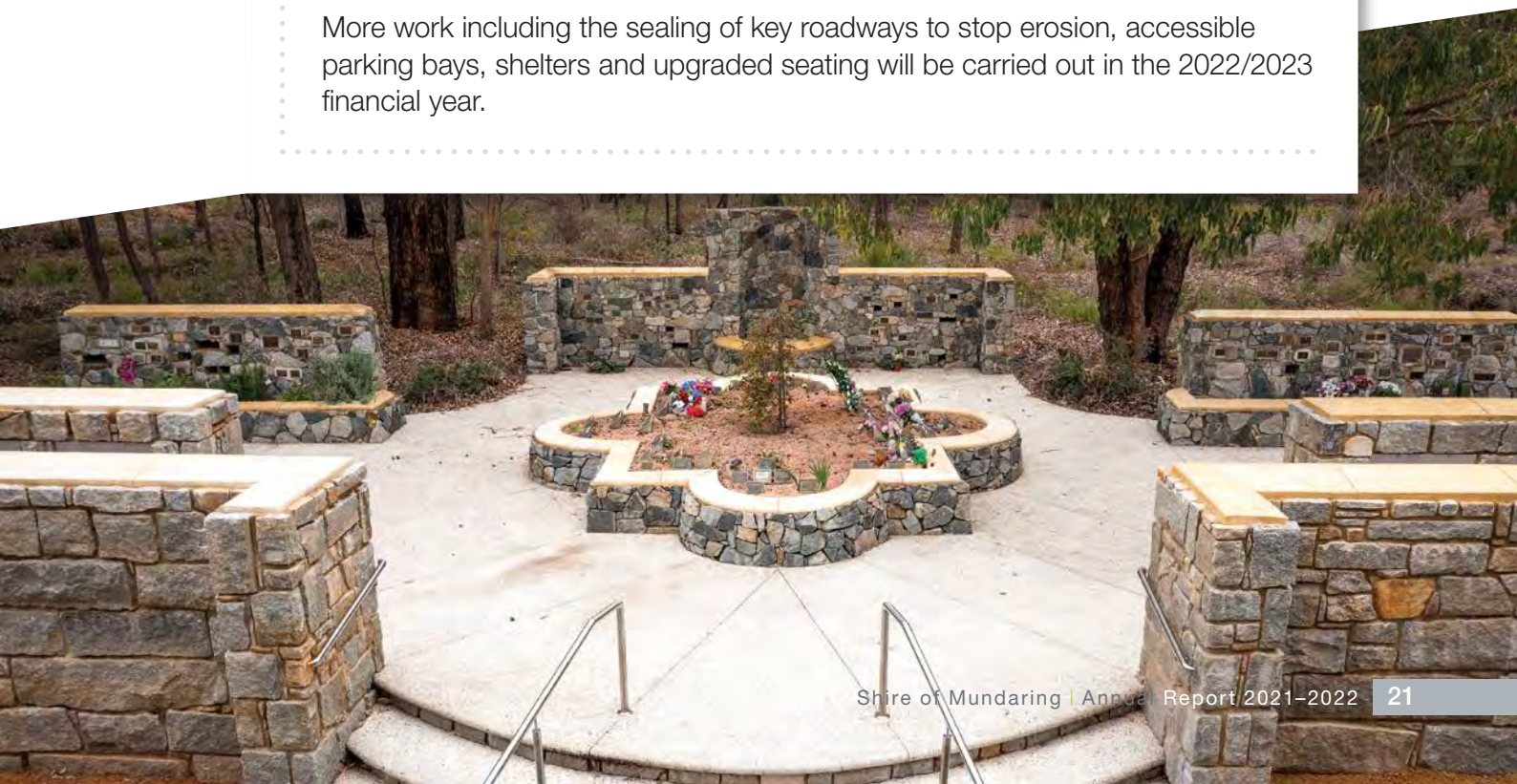
The grant complements \$150,000 provided by the Shire to install new fitness and exercise equipment, a new playground and softfall, pendulum swing, flying fox, seating and planting of shade trees, as detailed in the Broz Park Masterplan.

The works are expected to be completed in the 2022/2023 financial year.

■ Upgrades to Mundaring Cemetery

Concrete flooring around the niche walls at Mundaring Cemetery was installed in October 2021. The new flooring cost \$37,000 and covered 218m². Steps, railings and capping to the niche walls were included.

More work including the sealing of key roadways to stop erosion, accessible parking bays, shelters and upgraded seating will be carried out in the 2022/2023 financial year.





■ Chidlow Skate Park

The \$380,000 Chidlow Village Green Skate Park Project was officially completed in late 2021 and declared open for use at a ceremony on Saturday 19 March 2022.

Shire of Mundaring Councillors; the former Federal Member for Hasluck, Ken Wyatt AM, MP; Ms Jessica Shaw MLA, Member for Swan Hills; and members of the Chidlow Progress Association and their Skate Park Committee were in attendance for the opening.

The 50m by 15m facility offers different levels of challenge for skateboarders, scooter and bike riders.

The park is the result of a collaborative project between Shire of Mundaring and Chidlow Progress Association following a petition from a group of young people seeking support from the Shire, State and Federal government representatives.

- The Shire agreed to support the initiative following identification of the site at the Chidlow Village Green and incorporated the project in its Corporate Business Plan. The Shire worked with the Chidlow Progress Association Skate Park Committee to source funding for the project.

- The project was partly funded by a \$200,000 contribution from the Shire's Capital Works Program, along with a \$150,000 contribution from former Federal Member for Hasluck, Ken Wyatt AM, MP. An extra \$30,000 for sun shelters was funded by Swan Hills MLA Jessica Shaw.

- The Chidlow community also raised \$7000 to cover the cost of a skate skills workshop.

■ Byfield Road safety improvements

The Shire completed road safety improvements on Byfield Road, Parkerville, between Riley Road and Johnston Street in December 2021.

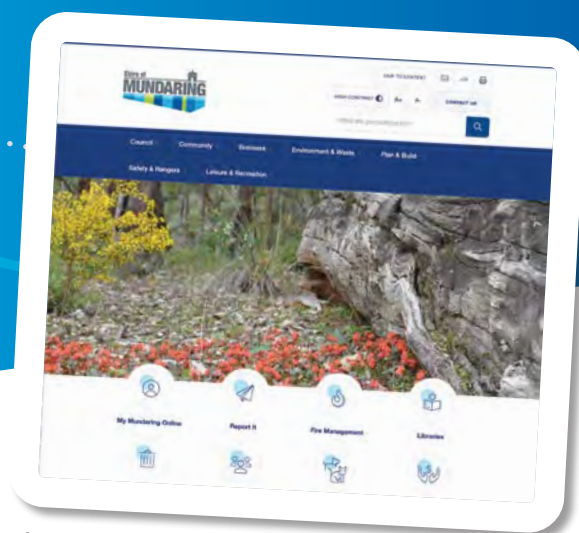
The \$250,000 improvements were implemented after a petition and deputations to Council were made regarding safety concerns for pedestrians on the road in the vicinity of the Parky Pitstop shop and Railway Reserve's Heritage Trail crossing.

A road safety audit was undertaken in September 2020 and a road safety plan was then developed. The subsequent improvements were possible utilising Federal

- Government Local Roads and Community Infrastructure Program funds.

- Works were carried out between July and December to create a centre blister island at the heritage trail crossing, with street lighting to slow traffic and provide a two stage crossing of the road for pedestrians. In addition on street, off-street parking and footpath connectivity were improved.

Key achievements



■ New and improved Shire website launched

In August 2020, Communications and Information Technology teams, along with an external consultant started the ground work towards developing a new Shire of Mundaring website. Over the next 16 months, the Shire met with community members and gathered data to help compare the performance of the former website with a new website that provides greater functionality and access.

Community members were invited to participate in online website testing activities to ascertain how people search for information about the Shire. This feedback was used to shape the new website.

In December 2021 a new and improved website was launched.

The clean, new design features functionality improvements such as easier access to

information via the navigation menu and search function. It is also responsive and improves accessibility requirements for people with a disability.

Other features include easy access to Council meeting dates, agendas and minutes; photo galleries showcasing facilities; and a What's On calendar to promote local programs and events.

■ Draft Reconciliation Action Plan

The development of a Reconciliation Action Plan (RAP) had previously been delayed due to the COVID-19 pandemic.

As life returned to a new normal during the reporting year, the Shire developed its first draft Reconciliation Action Plan 2022–2024.

A RAP is a framework that uses a holistic approach to create meaningful relationships, enhance respect and promote sustainable opportunities with Aboriginal and Torres Strait Islander communities.

The Shire hosted three workshops seeking community input for the RAP from Traditional Owners, service providers and local community groups and businesses.

Feedback from the workshops was used to inform the draft plan and develop and strengthen meaningful relationships with local Aboriginal and Torres Strait Islander peoples and stakeholders across the region to ensure there was a shared understanding and ownership of the RAP.

The draft RAP outlines Council's vision, actions and commitment to reconciliation. On 8 February 2022, Council endorsed that the draft be submitted to Reconciliation Australia to undergo the formal review and approval process. It is expected to be finalised in the 2022/2023 financial year.



■ Perth Hills Tourism Alliance

The Perth Hills Tourism Alliance is a collaboration of tourism marketing between the five local government authorities located along the metropolitan section of the Darling Scarp.

In 2020/21, the Alliance developed the Experience Perth Hills Tourism website, Facebook and Instagram pages. It also partnered with Destination Perth to deliver a

- \$50,000 regional marketing program between
- October 2021 to June 2022, including radio
- advertisements, digital features, InstaMeets,
- online articles and stories.

■ Midvale Hub

In July 2022 the Midvale Hub Parenting Service Perth North-East (MHPS) secured an additional three years of funding from the Department of Communities to deliver parenting programs and support for local families with children from birth to 18 years.

The extension of funding follows the completion of the first five year contract for the program. Over the past five years, MHPS has achieved the best statistics for assisting parents with children compared to other similarly funded programs across WA.

The MHPS is open to local parents who wish to attend a suite of free parenting programs, access individual support and/or attend events aimed at supporting parents on their parenting journeys with their children as they grow and develop.

- In September 2021 the Midvale Hub Child and
- Parent Centre Swan hosted its annual Clothing
- Day for local families. This is a very popular
- event that attracts many families, including
- our local Aboriginal families. During the event
- a relaxed consultation process was facilitated
- by Danny Ford, a consultant from Kambarang
- Services to provide valuable input into the
- Shire's Reconciliation Action Plan (RAP)
- process. Numerous local Aboriginal people
- shared their views during the process and they
- were very pleased to have the opportunity to
- participate in the Shire's RAP process.

■ Connecting Community Expo and Celebrating Community Awards 2021

Mundaring Arena came alive with the Shire's first joint Connecting Community Expo and Celebrating Community Awards ceremony on Sunday 5 December 2021.

Twenty-three local community groups and sporting clubs came together to host the Connecting Community Expo—a pilot event which aimed to raise awareness, facilitate partnerships and provide networking opportunities between clubs, groups and residents.

Over 70 volunteers from sporting groups and clubs set up tables providing information about their clubs/groups, with interactive fun activities for the community to try.

In line with International Volunteer Day, the Shire hosted the Celebrating Community Awards which recognised the significant and valuable contribution of 27 volunteers in the community.

The successful event helped to promote the Shire's commitment to supporting and promoting volunteering, enhancing a sense of belonging and community spirit. It also helped to build the capacity of a potential Mundaring Town Team project to consider delivering similar events in the future.



“... supporting and promoting volunteering, enhancing a sense of belonging and community spirit...”

■ Youth C.R.E.W activated Swan View Youth Centre

The Youth C.R.E.W is a team of young people aged 12 to 18 years who represent the voices of young people in the community.

One of The Youth C.R.E.W's (TYC) major achievements this financial year has been reactivating the purpose-built youth facility, the Swan View Youth Centre, through developing the Vibe Youth Hangout sessions. Since May, TYC have been running weekly or fortnightly (depending on demand) The Vibe Youth Hangout sessions.

The Vibe was created by TYC as an activity based 'drop-in' centre for young people after school on Tuesdays from 3pm to 5pm. Activities are run by TYC members and supported by four community volunteers.

In October, TYC members hosted a Let's Glow Disco event at the Mundaring Arena. The event was well received with over 90 young people attending.

The event was an opportunity for the TYC to engage in the planning and delivery of activities in the shire and have input in designing and building their own event. It also provided them an activity to build social connections and engage with their peers.

In 2021/2022, Youth Engagement Partnership Funds were awarded to three community groups. Funding provided enables Hills Billy Cart Inc, Darlington Arts Festival and Millennium Kids Inc. to deliver programs focused on young people at risk to be able to participate in local events and activities, and to upskill young people with knowledge and skills around climate change.



■ Reconnect Photography Project

The Reconnect Photography Project was a partnership project between Shire of Mundaring, Mundaring Camera Club and Mundaring Arts Centre designed to encourage the local community to share their skills and the place they live.

In 2021, with the support of a Shire of Mundaring COVID-19 Reconnect Grant, Mundaring Camera Club ran a series of photographic skill-building workshops in Portraiture, Astro Photography, Urban Landscapes and Architectural imagery. Participants from these sessions were invited to submit work for the *Reconnect* photography competition. From the outstanding collection of entries, 36 photographs were selected for the *Reconnect* exhibition at Boya Community Centre from 22 October 2021 to 5 February 2022. The exhibition was opened by Shire of Mundaring President James Martin and Mundaring Camera Club President Ron Dullard.

The annual photography exhibition has become a highlight of the Boya foyer displays with Shire of Mundaring, Mundaring Camera Club and Mundaring Arts Centre working in partnership since 2017 to present the work of local photographers.

■ 10 Years Recognition as a Waterwise Council

The Shire adopted a new Waterwise Council Action Plan and received Gold Waterwise Council certification from Water Corporation in May. Gold Waterwise certification recognises the Shire for 10 years as a Waterwise Council.

To commemorate the milestone Water Corporation gifted the Shire a bench which has since been installed at Morgan John Morgan Reserve.



■ First Prize in the Reconnect Photography Project was won by Jocelyn Manning for *Stairways to Heaven*.





■ Midvale Early Childhood and Parenting Centre showcased as leaders in the industry

The Midvale Early Childhood and Parenting Centre (MECPC) was showcased as a leader in the childcare industry by the WA Department of Communities Education and Care Regulatory Unit and the not-for-profit peak agency CareWest.

MECPC's educators provide children with a rich array of educational activities to stimulate the senses and the imagination.

MECPC has operated for over 35 years and has consistently been rated as a service that exceeds the requirements of the National Quality Standard for Education and Care.

- Over the past year, service educators continued to provide exemplary care for children and parents throughout the challenges of COVID-19, with the service providing a model example of maintaining standards and keeping children, parents and staff safe.

“... The Midvale Early Childhood and Parenting Centre (MECPC) was showcased as a leader in the childcare industry...”

■ Community Health and Wellbeing Informing Strategy

The Shire's Community Health and Wellbeing Informing Strategy 2020/2025 links to the Shire's strategic objectives outlined in the Strategic Community Plan and Corporate Business Plan. It provides a framework for protecting and promoting the health of the community and provides a foundation on which the Shire can build. Staying mentally and physically healthy are the key outcomes of the Strategy.

Achievements for the year include:

- Promote Act Belong Commit national campaign internally and externally.
- The Youth C.R.E.W delivered regular events to provide opportunities for social connection between young people within the community.
- Facilitated eight weekly Active Ageing activities and 10 annual events for older adults.
- Five mental health workshops including coping with stress after a disaster, mindful parenting, fear and strong emotions, building resilience and self-care.
- Five volunteer training workshops and events aimed at upskilling and empowering volunteers.
- Supported the SongStory Project to engage local older adults to share their personal song stories, participating in workshops in the lead up to Seniors Week 2021.
- Partnered with Alzheimer's WA to promote and deliver Alzheimer's and Dementia campaigns.
- Facilitated a pilot community expo involving 23 local community groups and sporting clubs, to raise awareness, promote activities, and recruit members and volunteers.
- Provide subsidised access to its aquatic facilities for the Department of Education and Training In-Term and Vacation Swimming programs to ensure all children can learn to swim.

■ Shire named finalist in Master Builders-Bankwest Housing Excellence Awards

The Shire was named as a finalist in the Local Government category at the 2022 Master Builders-Bankwest Housing Excellence Awards in June. The Housing Excellence Awards celebrate an overall commitment to excellence and showcases quality workmanship around the state. The awards evening was an opportunity for top performers in over 60 categories to be recognised for their contributions throughout the housing industry.





Heritage achievements

■ Community Heritage Platform

With the input from the Shire's Cultural Advisory Group, the Shire released a Community Heritage Platform on Engage Mundaring in mid-2021.

The platform is a 'community-led' project page which provides a link with the Mundaring and Hills Historical Society and allows interested volunteers to make contributions to the Shire's existing Heritage Place Records and to suggest new sites worthy of recognition and possible protection.

Two suggestions have been made since its release in 2021.

It is envisaged that a review of the Shire's Heritage Framework will occur at some point in the future. Feedback from the platform will assist with a formal review.

A Heritage Strategy is set to be developed during 2022/23 which will give further direction on how the Shire should progress in this area.

■ Planning Applications

During the 2021/2022 financial year, no planning applications were lodged that affected sites on the Shire's Heritage list.



Response to crises

Wooroloo Bushfire

The Shire's commitment to the recovery phase of the Wooroloo bushfire continued into the 2021/22 financial year.

The Shire, along with its Project Officer – Community Recovery, continued to support affected residents and the broader community throughout the reporting year including:

- **14 Wooroloo Connect newsletters** were distributed to residents to provide recovery information, links to support services and local activities.
- **12 informational chats and workshops** (online and in-person) were delivered by experts in the field.
- **23 community meals** were hosted, with increasing participation and assistance from the community. This provided an opportunity for local networking and to engage with the community in an informal setting to better understand their needs.
- **17 school holiday and after school activities** were run during the reporting period. These aimed to build local relationships, social connection and offer support.
- **4 busy bees** in the Wooroloo Hall garden and surrounds.





12 Months On Exhibition

The Shire and City of Swan respectfully acknowledged 1 February 2022 as twelve months since the bushfire. The date was marked with a number of reflective events for those affected by the fire, including *12 Months On—an Exhibition of Community Images*.

Wooroloo and Gidgegannup residents raised the idea for an exhibition to mark the significant date. One hundred images were submitted to the Shire and City of Swan, with 52 selected to represent the community's recovery journey over the previous 52 weeks.

The exhibit opened with a private event on Friday 28 January at Wooroloo Hall and was open to the public over the weekend before moving to Gidgegannup Agricultural Hall the following weekend.

The exhibition was supported in various ways by local organisations including Bendigo Community Bank Mundaring, Parky Care, Mundaring Arts Centre, Midland Junction Arts Centre and Perth Hills Events.

Other activities

Other reflective events organised by the community over the week included:

- A gathering at Gidgegannup Community Church
- A Community Morning Tea at Gidgegannup Hall and a Community Afternoon Tea at Wooroloo Hall on 1 February.

In November the Shire provided support to the Wooroloo Volunteer Bush Fire Brigade to deliver their first Let's Get Ready Together activity with a focus on bushfire mitigation and preparedness.





In addition, the Shire supported environmental-based activities to enhance knowledge and support the Wooroloo Community Team to facilitate community-led recovery initiatives. This included collaborating with the City of Swan, Department of Communities, Red Cross and DFES to present an Environmental Forum focused on bushfire prone landscaping and planning.

In June the Wooroloo community celebrated the grand opening of the Wooroloo Garden for the Community at Wooroloo Hall.

Thirty-six people from Wooroloo, Stoneville, Mundaring, Wundowie, Gidgegannup and Morangup attended the first workshop to be held in the revitalised garden area.

A community-led initiative, the garden aims to foster social connections, build resilience

through sharing fire and water-wise planting tips and community gardening information sessions, and serve as a quiet, reflective space.

Over several weeks, residents from Wooroloo and Gidgegannup volunteered a collective 87 hours at weekend busy bees moving rocks, edging paved areas, cutting pods for herb gardens, spreading gravel and making wicking bed gardens.

The garden was funded primarily by a \$6630 grant from the Department of Communities Community Garden Program, along with additional financial support from Mundaring Community Bank and assistance from Parky Care.

“... the Shire has supported environmental-based activities to enhance knowledge and support the Wooroloo Community Team to facilitate community-led recovery initiatives...”



COVID-19

The Shire remained committed to supporting and keeping its community safe throughout the COVID-19 outbreak in 2021/2022.

As the pandemic crossed borders and slowly broke out across WA from December 2021, the Shire continued to plan and make decisions based on the latest advice from the State government.

All Shire services worked in accordance with State mandates and at times service levels were impacted by lockdowns and restraints, and had to adapt to a virtual way of working from home.

In January 2022, the State government launched its ServiceWA app, which allowed people to download their COVID-19 vaccination certificate and check in at businesses and venues in the shire.

To assist residents with accessing the ServiceWA app and COVID-19 certificates, the **Shire's libraries** held six facilitator run workshops, assisted by volunteers and staff. Workshops were attended by 69 residents.

Staff and volunteers at the libraries assisted a further 430 people to access the ServiceWA

app and COVID-19 certificates through one-hour individual sessions and free printing and laminating of COVID-19 certificates.

Grant funding from Public Libraries WA assisted with the workshops, staffing resources, and other costs associated with assisting the public to access the ServiceWA app and COVID-19 certificates.

Shire staff transitioned to working from home on a rotational basis to minimise the spread of COVID in the workplace and mitigate the risk of reduced services in the event the Shire became short staffed due to sick leave. Due to these practices, the Shire was able to continue to deliver all services to the community in a safe manner.

To adapt to working from home, the Shire's **Human Resources** (HR) team established safe working from home arrangements including health and safety checklists, resources and tips.

While employees were working from home on a rotational basis, Human Resources

maintained a presence in the administration building for employees who remained in the office to ensure HR support was readily available when needed, including supporting managers to manage their teams virtually and in mixed mode, responding to leave eligibility and concerns regarding vaccination and mask mandates.

The **Building Assets** team implemented increased cleaning activities in the majority of Shire buildings, including increased frequency and provision of disinfectant and other cleaning products.

Due to State government requirements, the Shire also invested in a mechanical ventilation (HVAC) consultant to assess ventilation requirements to several flagship buildings.

In turn, due to the State government's lockdown restrictions, the Shire's **Recreation and Leisure Services** managed COVID related lockdowns of the Shire's community facilities.

Bookings staff worked to cancel, refund and re-book 150 hirers and event bookings each time restrictions were introduced, along with interpreting complex lockdown restrictions and communicating them to facility hirers in a timely, practical and understandable way.

The **Planning Services** team continued to provide its services to residents while working remotely. During the reporting year, the Planning Department temporarily exempted 39 developments from the requirement to obtain planning approval, 26 of which were home business land-uses.

To assist small business and local economic recovery, Planning Services permanently removed the requirement for 83 home businesses to annually renew their home business approvals, saving each approval holder \$100 per annum.

The spread of COVID-19 also saw delays in commencing and completing projects due to the unavailability of construction and maintenance industry contractors who were having to isolate. This was also coupled with building material supply chain issues, partly due to COVID-19's impact on national

and international distribution chains and manufacturing.

The Shire's **Family and Children's Services programs** adapted to the 'new normal' and continued to run throughout the COVID period.

The Midvale Hub Parenting Service offered on-line parenting workshops when face-to-face options were no longer available.

The Child and Parent Centre's (CPC) playgroups were run in local parks to facilitate social distancing amongst families, while the Eastern Region Family Day Care service provided face-time and phone support to home based educators. The CPC also delivered food hampers and health items to struggling families with small children during lockdown periods.

In addition, Family and Children's Services provided training for parents on how to deal with children experiencing trauma from the impacts of COVID and lockdowns and the Wooroloo Bushfire.

Throughout May and June 2022, Midvale Hub Child and Parent Centre Swan partnered with the Departments of Education and Health, and the WA Police to offer six pop-up vaccination clinics at local schools.

The partnership provided numerous vulnerable families, including Aboriginal families, the opportunity to receive free COVID and flu vaccinations, along with health packs including masks, RATs, hand sanitiser and COVID-Safe information. Families were also offered a free sausage sizzle on the day and food hampers provided by Foodbank. Over 450 vaccinations were administered across the four school clinics.

The **Communications Team** released a 'Get COVID Ready – Tips to help your household prepare' factsheet in March. The factsheet was packed with tips to help residents prepare in case they received a positive COVID-19 test or became a close contact. The information was published on the Shire's COVID-19 Community Support and Advice and Latest News web pages.

Our Council

Council generally holds one Ordinary Council Meeting each month. These meetings are open to the public with the Shire's Meeting Procedures Local Law guiding how the meetings are conducted.

During 2021/22 Council held 12 Ordinary Council Meetings and four Special Council Meetings.

Our Shire comprises four wards with 12 Council Members. Three members represent each ward.

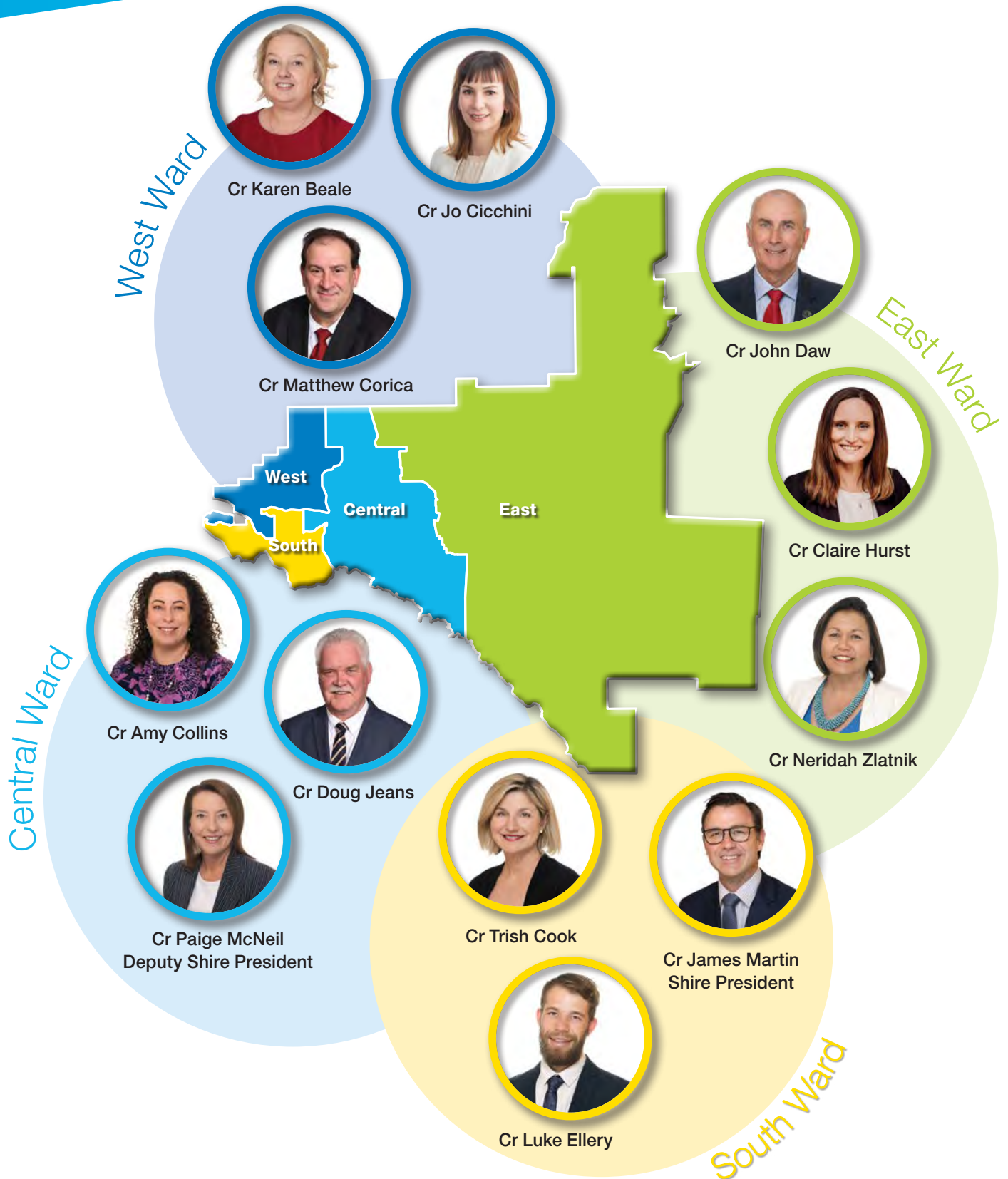
Following each local government election, Council elects a Shire President and Deputy Shire President.

While each Council Member represents a particular ward (see Shire Ward map and an image of each Councillor on the next page), their role is to consider the current and future interests of the entire district.

■ On Monday 4 April 2022, East Ward Councillor Simon Cuthbert resigned from Council. An Extraordinary Council Meeting was held on 1 July 2022 and Cr Claire Hurst was elected as the new East Ward Councillor.

Shire Wards

■ Council Members



Statutory Reports

Number of Council meetings attended

(1 July 2021 to 30 June 2022)

Council Member	Ordinary (12)	Special (4)	Electors (1)
Council members during 2021/22 financial year			
Cr Amy Collins	9	4	1
Cr Matthew Corica	9	3	0
Cr John Daw	12	4	1
Cr Doug Jeans	12	4	0
Cr James Martin	11	4	0
Council members whose term ended in October 2021			
Cr Toni Burbidge	4	1	n/a
Cr Kate Driver	2	1	n/a
Cr Ian Green	4	1	n/a
Cr Darrell Jones	4	1	n/a
Cr David Lavell	3	0	n/a
Cr Jason Russell	3	1	n/a
Council members elected in October 2021			
Cr Karen Beale	7	3	1
Cr Jo Cicchini	7	3	1
Cr Trish Cook	7	3	1
Cr Luke Ellery	8	3	1
Cr Paige McNeil	8	3	1
Cr Neridah Zlatnik	6	2	1
Council member who resigned in April 2022			
Cr Simon Cuthbert	7	3	1
Council member elected in Extraordinary Election (July 2022)			
Cr Claire Hurst	n/a	n/a	n/a

Number of committee meetings attended

(1 July 2021 to 30 June 2022)

Council Member	Audit and Risk Committee (7)	Grants Selection Committee (4)	CEO Performance Review Committee (5)	Environmental Advisory Committee (3)
Council members during 2021/22 financial year				
Cr Amy Collins	n/a	n/a	n/a	3
Cr Matthew Corica	n/a	1	n/a	n/a
Cr John Daw	6	2	4	2
Cr Doug Jeans	4	4	4	n/a
Cr James Martin	7	3	3	n/a
Council members whose term ended in October 2021				
Cr Toni Burbidge	n/a	n/a	n/a	n/a
Cr Kate Driver	n/a	n/a	n/a	n/a
Cr Ian Green	n/a	n/a	2	n/a
Cr Darrell Jones	1	n/a	1	n/a
Cr David Lavell	n/a	n/a	n/a	n/a
Cr Jason Russell	1	n/a	1	n/a
Council members elected in October 2021				
Cr Karen Beale	5	n/a	n/a	n/a
Cr Jo Cicchini	n/a	n/a	n/a	n/a
Cr Trish Cook	n/a	n/a	3	n/a
Cr Luke Ellery	n/a	2	n/a	n/a
Cr Paige McNeil	6	n/a	3	n/a
Cr Neridah Zlatnik	n/a	2	n/a	n/a
Council member who resigned in April 2022				
Cr Simon Cuthbert	4	2	n/a	1
Council member elected in Extraordinary Election (July 2022)				
Cr Claire Hurst	n/a	n/a	n/a	n/a

Number of committee meetings attended

(continued)




Council Member	Australia Day Citizenship Awards (1)	Bushfire Advisory Committee (4)	Local Emergency Management Committee (3)	CEO Recruitment Committee (2)
Council members during 2021/22 financial year				
Cr Amy Collins	n/a	n/a	n/a	1
Cr Matthew Corica	n/a	n/a	n/a	n/a
Cr John Daw	n/a	3	n/a	n/a
Cr Doug Jeans	1	3	n/a	n/a
Cr James Martin	n/a	n/a	n/a	2
Council members whose term ended in October 2021				
Cr Toni Burbidge	n/a	1	n/a	n/a
Cr Kate Driver	n/a	n/a	n/a	n/a
Cr Ian Green	n/a	n/a	n/a	n/a
Cr Darrell Jones	n/a	n/a	n/a	n/a
Cr David Lavell	n/a	n/a	n/a	n/a
Cr Jason Russell	n/a	n/a	n/a	n/a
Council members elected in October 2021				
Cr Karen Beale	n/a	n/a	n/a	n/a
Cr Jo Cicchini	n/a	n/a	n/a	n/a
Cr Trish Cook	n/a	n/a	2	2
Cr Luke Ellery	1	n/a	n/a	n/a
Cr Paige McNeil	n/a	n/a	n/a	2
Cr Neridah Zlatnik	1	n/a	3	2
Council member who resigned in April 2022				
Cr Simon Cuthbert	n/a	n/a	n/a	n/a
Council member elected in Extraordinary Election (July 2022)				
Cr Claire Hurst	n/a	n/a	n/a	n/a

Diversity Data – Councillors

Eleven out of 12 council members provided the diversity data detailed in the *Local Government (Administration) Regulations 1996*, regulation 19B.

Shire of Mundaring comparison percentages are based on 2021 Census data.



	Council	Shire of Mundaring residents
	11 Councillors responded	39,166 residents
Gender	36.3% male 63.6% female	51.9% male 48.1% female
Linguistic background 	91% (10 Councillors) speak only English at home 9% (1 Councillor) speaks French at home	85.3% speak only English at home 14.7% speak a language other than English at home
Country of birth 	100% (11 Councillors) born in Australia	71.9% born in Australia 28.1% born overseas
Age groups 	25–34 years 9% (1 Councillor) 35–44 years 9% (1 Councillor) 45–54 years 55% (6 Councillors) 55–64 years 18% (2 Councillors) Over 64 years 9% (1 Councillor)	10.8% 12.6% 14.4% 14.6% 19.8%
Aboriginal or Torres Strait Islander	0	1.5%



Breaches (Standard Panel)

There were no breaches reported during the reporting period.

Freedom of Information

The Shire's Freedom of Information statement is available on the Shire website and outlines the Shire's functions, the kind of records we keep and how these records can be accessed.

We received three Freedom of Information applications during the financial year 2021/22.

Public Disclosures

Shire of Mundaring is committed to the aims and objectives of the *Public Interest Disclosure Act 2003 (PID Act)*.

The Act aims to ensure openness and accountability in government by encouraging people to make disclosures and protecting them when they do. It facilitates the disclosure of public interest information and provides protection for those making such disclosures, and those who are the subject of disclosures. The Act also provides a process for the matters disclosed to be investigated and for appropriate action to be taken.

The Shire did not receive any public interest disclosure reports during the reporting year.

Standards Panel costs

The Shire did not pay any Standards Panel costs for hearing a complaint regarding a Council member nor did the Standards Panel order any funds be reimbursed to the Shire by a Council member.

Employee salaries

The *Local Government (Administration) Regulations 1996* require local governments to state in their Annual Report the number of employees with a salary of more than \$130,000. During 2020/21, 14 Shire of Mundaring employees were entitled to an annual cash salary of \$130,000 or more in the following categories:

Salary Range \$	Number of Employees
130,000 to 140,000	3
140,000 to 150,000	5
150,000 to 160,000	1
160,000 to 170,000	0
170,000 to 180,000	0
180,000 to 190,000	2
190,000 to 200,000	2
200,000 to 210,000	0
210,000 to 220,000	0
220,000 to 230,000	0
230,000 to 240,000	0
240,000 to 250,000	0
250,000 to 260,000	0
260,000 to 270,000	1*

* Total Remuneration Package for CEO:
\$318,656

Disability Access and Inclusion

A major focus for the Shire has been to improve its access and inclusion across local events, facilities, community groups and in the workplace.

Complementing accessibility upgrades through the Lake Leschenaultia Enhancement Project in the 2020/2021 financial year, the Shire upgraded an ageing all-terrain wheelchair at Lake Leschenaultia in Chidlow in February 2022.

The new purpose built and designed wheelchair allows people with mobility impairments greater access to outdoor environments where traditional wheelchairs can't go including the beach, water and pathways at the Lake.

The chair was purchased with the help of a \$6000 All-Terrain Wheelchair Access for National Parks and Beaches Grant from the Department of Communities.





■ Bruce Rodgers, Greg Hedley, Cr. Cicchini, Catriona Were-Spice and Linda Hedley.

To raise awareness and enhance accessibility and inclusion at local events, the Shire updated its event guidelines for event organisers to include an accessibility section, a Shire Events Access Checklist to assist organisers in making their event accessible, and an Accessible Events Checklist and Guidelines 'Creating Accessible Events from the Department for Communities Disability Services'.

Building on awareness and inclusion, the Shire was one of nine Councils to be selected for the 2022 Building Inclusive Communities WA Project in February.

Delivered by Inclusion Solutions, the project aimed to support sporting clubs and community groups to promote social inclusion, upskill volunteers and attract new members.

An 'Attracting Time and Talent' workshop, along with a 'Social Inclusion and Disability Awareness' and 'Building Stronger Clubs' webinars were held between May and July.

These interactive activities helped community groups and clubs to enhance social inclusion in their events and activities.

Shire employees undertook professional development to enhance their awareness and commitment to improve inclusion and diversity in the workplace. This included a facilitated consultation workshop to review the Equal Employment Opportunity Management Plan and programs and Social Inclusion Professional Development.

The Shire is currently developing an Access and Inclusion Informing Strategy (AIIS) to replace its Disability Access and Inclusion Plan to ensure our community is welcoming, accessible and inclusive for everyone.

Between April and June the Shire, together with its Inclusion and Disability Access Advisory Group (IDAAG), invited residents to provide feedback to learn how it could improve access and inclusion across the shire based on the seven outcome areas under the *Disability Services Act 1993*.

“The Shire is currently developing an Access and Inclusion Informing Strategy (AIIS) to replace its Disability Access and Inclusion Plan to ensure our community is welcoming, accessible and inclusive for everyone.”

The Shire was particularly interested in hearing from residents living with a disability; their families and carers; people from culturally and linguistically diverse backgrounds; the LGBTIQ+ community; and people with mental health conditions, to share their experiences.

Feedback will be analysed and actions will be developed by Shire staff and IDAAG members in the 2022/2023 financial year. Inclusion Solutions are also providing support to Shire officers in the development of the AIIS.

The IDAAG members and representatives from the Chidlow Community Garden met in June to discuss ways to make the Chidlow Community Garden more accessible and inclusive for its members.

An accessible ramp is set to be installed to enable wheelchair and mobility scooter user access to the garden committee's meeting space in a railway wagon. Advice from IDAAG will be considered during the planning and installation of the ramp.

To enhance accessibility of Shire facilities, accessibility audits are in progress to plan for potential accessibility upgrades to Glen Forrest Hall and Parkerville Hall.

Working with the Public Transport Authority, the Shire helped to improve accessibility standards at local public transport facilities. This included bus boarding areas and shelter upgrades to bus routes 321 and 322.

To improve access to library services and resources, a height adjustable desk was made available for public use at Mundaring Library and all spine labels on the large print and magazine collections were increased to font size 20 on a white background to improve visibility when searching for items on the shelves.

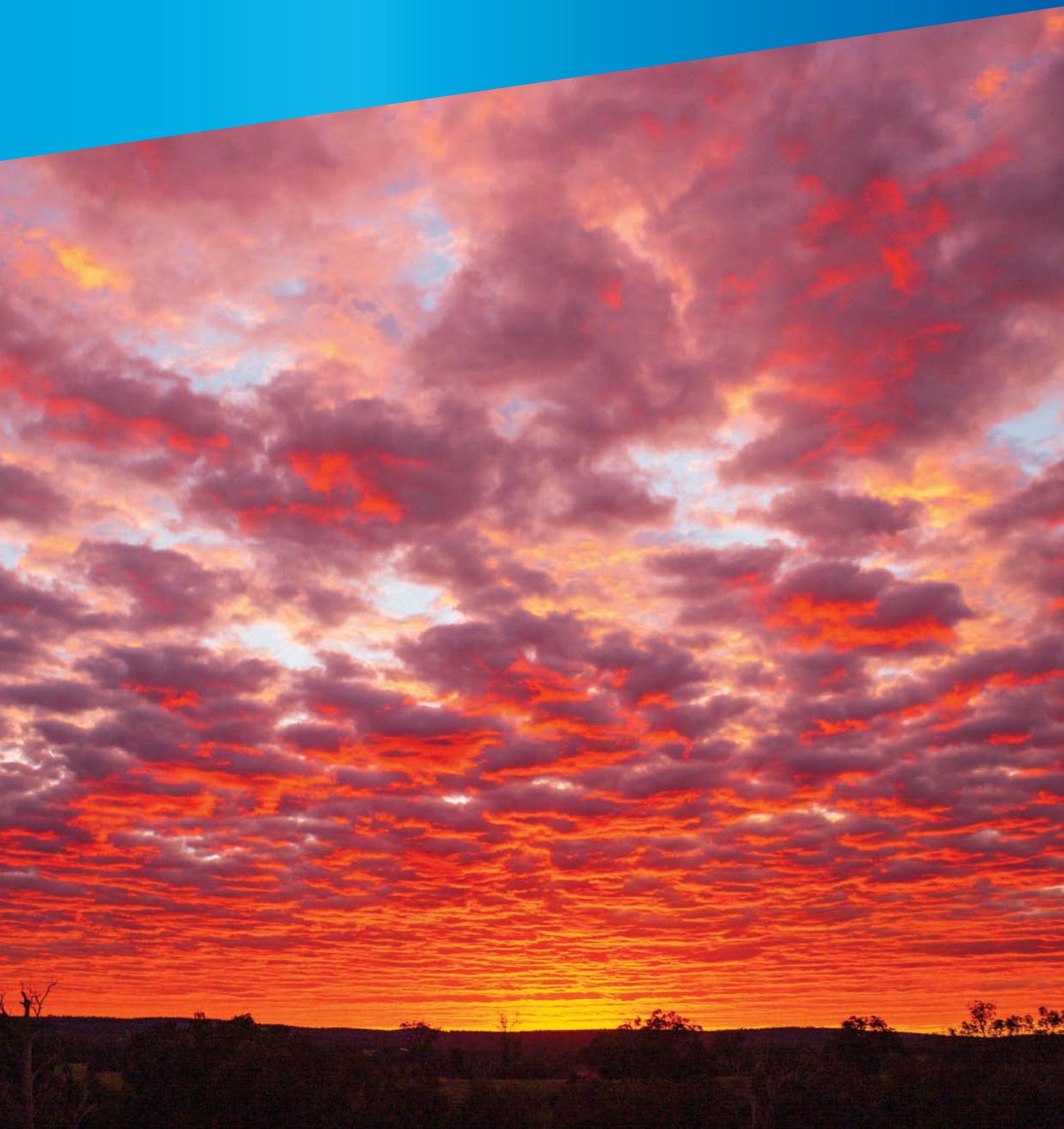
In celebration of International Day of People with Disability, the Shire, in consultation with the IDAAG, purchased a large screen iPad for people who may not be able to use traditional computers. The iPad boasts updatable software with accessible features such as automatic captions for videos and a VoiceOver function.



“... The Shire's Community Health and Wellbeing Informing Strategy... provides a framework for protecting and promoting the health of the community...”

Financial Report

for the year ended 30 June 2022





SHIRE OF MUNDARING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Mundaring conducts the operations of a local government with the following community vision:

The place for sustainable living.

Principal place of business:
7000 Great Eastern Highway, Mundaring WA 6073

**SHIRE OF MUNDARING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The attached financial report of the Shire of Mundaring for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Mundaring at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 14th day of December 2022



Chief Executive Officer

Jonathan Throssell

Name of Chief Executive Officer

SHIRE OF MUNDARING
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	24(a),2(a)	30,010,441	30,050,174	29,081,843
Operating grants, subsidies and contributions	2(a)	7,822,772	4,778,125	6,650,178
Fees and charges	23(c),2(a)	11,463,281	11,361,735	11,293,756
Interest earnings	2(a)	377,004	375,000	410,015
Other revenue	2(a)	1,763,448	1,551,960	1,072,994
		51,436,946	48,116,994	48,508,786
Expenses				
Employee costs		(20,778,739)	(21,217,595)	(19,976,969)
Materials and contracts		(18,945,955)	(19,642,958)	(18,847,160)
Utility charges		(1,410,623)	(1,364,932)	(1,322,874)
Depreciation	10(a)	(7,993,631)	(7,132,378)	(7,698,584)
Finance costs	2(b)	(410,337)	(403,750)	(440,796)
Insurance		(537,790)	(549,930)	(527,096)
Other expenditure	2(b)	(726,034)	(806,288)	(792,964)
		(50,803,109)	(51,117,831)	(49,606,443)
		633,837	(3,000,837)	(1,097,657)
Capital grants, subsidies and contributions	2(a)	3,998,121	3,013,308	3,566,137
Profit on asset disposals	10(b)	122,297	650,000	1,628
Loss on asset disposals	10(b)	0	(126,956)	0
Fair value adjustments to financial assets at fair value through profit or loss		6,994	0	4,525
Share of net profit of associates accounted for using the equity method	20	999,595	0	296,990
		5,127,007	3,536,352	3,869,280
Net result for the period	23(b)	5,760,844	535,515	2,771,623
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	0	0	25,230,236
Share of comprehensive income of associates and joint ventures accounted for using the equity method	17,20(b)	(31,623)	0	(513,725)
Total other comprehensive income for the period	17	(31,623)	0	24,716,511
Total comprehensive income for the period		5,729,221	535,515	27,488,134

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MUNDARING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	13,521,307	10,251,439
Trade and other receivables	5	4,482,075	3,384,111
Other financial assets	4(a)	31,318,702	31,229,182
Inventories	6	114,678	72,323
Other assets	7	393,516	210,183
TOTAL CURRENT ASSETS		49,830,278	45,147,238
NON-CURRENT ASSETS			
Trade and other receivables	5	1,249,731	1,295,768
Other financial assets	4(b)	136,156	129,162
Investment in associate	20(a)	19,681,971	19,187,760
Property, plant and equipment	8	79,836,373	79,617,744
Infrastructure	9	322,729,416	323,008,343
Right-of-use assets	11(a)	587,677	80,814
TOTAL NON-CURRENT ASSETS		424,221,324	423,319,591
TOTAL ASSETS		474,051,602	468,466,829
CURRENT LIABILITIES			
Trade and other payables	12	7,299,744	6,682,818
Other liabilities	13	1,148,252	1,263,452
Lease liabilities	11(b)	156,853	66,701
Borrowings	14	735,493	700,169
Employee related provisions	15	3,535,564	3,597,455
TOTAL CURRENT LIABILITIES		12,875,906	12,310,595
NON-CURRENT LIABILITIES			
Other liabilities	13	0	440,000
Lease liabilities	11(b)	433,794	16,050
Borrowings	14	8,399,030	9,134,523
Employee related provisions	15	289,321	252,531
Other provisions	16	161,200	150,000
TOTAL NON-CURRENT LIABILITIES		9,283,345	9,993,104
TOTAL LIABILITIES		22,159,251	22,303,699
NET ASSETS		451,892,351	446,163,130
EQUITY			
Retained surplus		139,342,809	134,338,009
Reserve accounts	27	30,154,621	29,398,577
Revaluation surplus	17	282,394,921	282,426,544
TOTAL EQUITY		451,892,351	446,163,130

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MUNDARING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		135,761,948	25,203,015	257,710,033	418,674,996
Comprehensive income for the period					
Net result for the period		2,771,623	0	0	2,771,623
Other comprehensive income for the period	17	0	0	24,716,511	24,716,511
Total comprehensive income for the period		2,771,623	0	24,716,511	27,488,134
Transfers from reserves	27	766,453	(766,453)	0	0
Transfers to reserves	27	(4,962,015)	4,962,015	0	0
Balance as at 30 June 2021		134,338,009	29,398,577	282,426,544	446,163,130
Comprehensive income for the period					
Net result for the period		5,760,844	0	0	5,760,844
Other comprehensive income for the period	17	0	0	(31,623)	(31,623)
Total comprehensive income for the period		5,760,844	0	(31,623)	5,729,221
Transfers from reserves	27	2,174,615	(2,174,615)	0	0
Transfers to reserves	27	(2,930,659)	2,930,659	0	0
Balance as at 30 June 2022		139,342,809	30,154,621	282,394,921	451,892,351

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MUNDARING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		29,794,907	30,050,174	28,564,261
Operating grants, subsidies and contributions		6,418,888	4,778,125	7,721,669
Fees and charges		11,463,281	11,361,735	11,202,194
Interest received		377,004	375,000	410,015
Goods and services tax received		1,990,463	2,200,000	1,954,724
Other revenue		1,763,448	1,551,960	1,072,994
		51,807,991	50,316,994	50,925,857
Payments				
Employee costs		(20,547,930)	(21,217,595)	(19,874,881)
Materials and contracts		(18,807,400)	(19,642,958)	(17,943,946)
Utility charges		(1,410,623)	(1,364,932)	(1,322,874)
Finance costs		(410,337)	(403,750)	(440,796)
Insurance paid		(537,790)	(549,930)	(527,096)
Goods and services tax paid		(1,935,391)	(2,200,000)	(1,933,160)
Other expenditure		(726,034)	(806,288)	(792,964)
		(44,375,505)	(46,185,453)	(42,835,717)
Net cash provided by (used in) operating activities	18(b)	7,432,486	4,131,541	8,090,140
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		0	0	(2,641,315)
Payments for financial assets at amortised cost - community group loan		0	0	(25,000)
Payments for purchase of property, plant & equipment	8(a)	(2,950,460)	(3,665,245)	(798,461)
Payments for construction of infrastructure	9(a)	(5,127,058)	(7,341,712)	(6,344,471)
Non-operating grants, subsidies and contributions	2(a)	3,998,121	3,013,308	3,566,137
Proceeds from financial assets at amortised cost		(89,521)	0	0
Distributions from investments in associates	20(a)	473,761	0	0
Proceeds from sale of property, plant & equipment	10(b)	439,473	1,584,019	20,909
Net cash provided by (used in) investing activities		(3,255,684)	(6,409,630)	(6,222,201)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(700,169)	(700,169)	(666,777)
Payments for principal portion of lease liabilities	26(b)	(206,765)	(66,321)	(206,264)
Net cash provided by (used in) financing activities		(906,934)	(766,490)	(873,041)
Net increase (decrease) in cash held		3,269,868	(3,044,579)	994,898
Cash at beginning of year		10,251,439	12,261,184	9,256,541
Cash and cash equivalents at the end of the year	18(a)	13,521,307	9,216,605	10,251,439

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF MUNDARING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	4,204,936	4,119,290	6,386,144
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		7,822,772	4,778,125	6,650,178
Fees and charges		11,463,281	11,361,735	11,293,756
Interest earnings		377,004	375,000	410,015
Other revenue		1,763,448	1,551,960	1,072,994
Profit on asset disposals	10(b)	122,297	650,000	1,628
Fair value adjustments to financial assets at fair value through profit or loss		6,994	0	4,525
Share of net profit of associates and joint ventures accounted for using the equity method		999,595	0	296,990
		22,555,391	18,716,820	19,730,086
Expenditure from operating activities				
Employee costs		(20,778,739)	(21,217,595)	(19,976,969)
Materials and contracts		(18,945,955)	(19,642,958)	(18,847,160)
Utility charges		(1,410,623)	(1,364,932)	(1,322,874)
Depreciation		(7,993,631)	(7,132,378)	(7,698,584)
Finance costs		(410,337)	(403,750)	(440,796)
Insurance		(537,790)	(549,930)	(527,096)
Other expenditure		(726,034)	(806,288)	(792,964)
Loss on asset disposals	10(b)	0	(126,956)	0
		(50,803,109)	(51,244,787)	(49,606,443)
Non-cash amounts excluded from operating activities	25(a)	6,553,580	6,609,334	7,262,795
Amount attributable to operating activities		(21,694,138)	(25,918,633)	(22,613,562)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	3,998,121	3,013,308	3,566,137
Proceeds from disposal of assets	10(b)	439,473	1,584,019	20,909
Distributions from investments in associates	20(a)	473,761	0	0
Payments for financial assets at amortised cost - community group loan		0	0	(25,000)
Purchase of property, plant and equipment	8(a)	(2,950,460)	(3,665,245)	(798,461)
Purchase and construction of infrastructure	9(a)	(5,127,058)	(7,341,712)	(6,344,471)
		(3,166,163)	(6,409,630)	(3,580,886)
Amount attributable to investing activities		(3,166,163)	(6,409,630)	(3,580,886)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(700,169)	(700,169)	(666,777)
Payments for principal portion of lease liabilities	26(b)	(206,765)	(66,321)	(206,264)
Transfers to reserves (restricted assets)	27	(2,930,659)	(3,525,809)	(4,962,015)
Transfers from reserves (restricted assets)	27	2,174,615	3,058,725	766,453
Amount attributable to financing activities		(1,662,978)	(1,233,574)	(5,068,603)
Surplus/(deficit) before imposition of general rates		(22,318,343)	(29,442,547)	(24,876,907)
Total amount raised from general rates	24(a)	30,010,441	30,050,174	29,081,843
Surplus/(deficit) after imposition of general rates	25(b)	7,692,098	607,627	4,204,936

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF MUNDARING
FOR THE YEAR ENDED 30 JUNE 2022
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**SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Other revenue Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Other revenue Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Consideration from contracts with customers is included in the transaction price.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Total
	\$	\$	\$	\$
Rates	0	0	30,010,441	30,010,441
Operating grants, subsidies and contributions	7,822,772	0	0	7,822,772
Fees and charges	11,463,281	0	0	11,463,281
Interest earnings	161,585	0	215,419	377,004
Other revenue	981,952	0	781,496	1,763,448
Non-operating grants, subsidies and contributions	0	3,998,121	0	3,998,121
Total	20,429,590	3,998,121	31,007,356	55,435,067

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Total
	\$	\$	\$	\$
Rates	0	0	29,081,843	29,081,843
Operating grants, subsidies and contributions	6,650,178	0	0	6,650,178
Fees and charges	11,293,756	0	0	11,293,756
Interest earnings	242,744	0	167,271	410,015
Other revenue	318,500	0	754,494	1,072,994
Non-operating grants, subsidies and contributions	0	3,566,137	0	3,566,137
Total	18,505,178	3,566,137	30,003,608	52,074,923

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	105,806	125,000	152,823
Rates instalment and penalty interest (refer Note 24(c))	215,419	150,000	167,271
Other interest earnings	55,779	100,000	89,921
	377,004	375,000	410,015
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	48,200	48,000	49,000
- Other services	5,050	3,000	800
	53,250	51,000	49,800
Finance costs			
Borrowings 26(a)	402,496	402,496	435,889
Lease liabilities 26(b)	7,841	1,254	4,907
	410,337	403,750	440,796
Other expenditure			
Community grants and donations	380,585	432,065	438,768
Other expenses	345,449	374,223	354,196
	726,034	806,288	792,964

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
18(a)	13,521,307	10,251,439
	13,521,307	10,251,439
18(a)	10,767,209	7,532,618
	2,754,098	2,718,821
	13,521,307	10,251,439

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions that have not been fully expended in the manner specified by the contributor or legislation.

Details of restrictions on financial assets can be found at Note 18.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits - Municipal funds
Term deposits - Reserves

Held as

- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

	2022	2021
	\$	\$
	31,318,702	31,229,182
	31,318,702	31,229,182
	1,164,081	1,830,605
	30,154,621	29,398,577
	31,318,702	31,229,182
18(a)	1,164,081	1,830,605
	30,154,621	29,398,577
	31,318,702	31,229,182
	136,156	129,162
	136,156	129,162
	136,156	129,162
	136,156	129,162

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

	Note	2022 \$	2021 \$
Current			
Rates receivable		2,734,898	2,448,363
Trade and other receivables		1,103,688	362,498
GST receivable		189,748	244,820
Receivables for employee related provisions	15	95,004	26,263
Waste charges		358,737	302,167
		4,482,075	3,384,111
Non-current			
Pensioner's rates and ESL deferred		1,185,991	1,214,211
Receivables for employee related provisions	15	36,503	29,320
POS Payments		27,237	27,237
Other loans and receivables - Mahogany Creek Progress Association		0	25,000
		1,249,731	1,295,768

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to value is considered immaterial.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

	Note	2022	2021
Current		\$	\$
Fuel and materials		114,678	72,323
		<u>114,678</u>	<u>72,323</u>

The following movements in inventories occurred during the year:

Balance at beginning of year	72,323	92,674
Inventories expensed during the year	(563,349)	(460,617)
Additions to inventory	605,704	440,266
Balance at end of year	<u>114,678</u>	<u>72,323</u>

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. OTHER ASSETS

Other assets - current

Prepayments

2022	2021
\$	\$
393,516	210,183
393,516	210,183

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Note	Land \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Works in Progress \$	Total property, plant and equipment \$
Balance at 1 July 2020		25,624,700	47,291,468	72,916,168	283,390	7,483,378	491,111	81,174,047
Additions		0	624,301	624,301	48,955	83,817	41,388	798,461
Disposals		0	0	0	0	(19,281)	0	(19,281)
Depreciation	10(a)	0	(1,636,831)	(1,636,831)	(24,265)	(674,387)	0	(2,335,483)
Transfers		0	489,661	489,661	0	0	(489,661)	0
Balance at 30 June 2021		25,624,700	46,768,599	72,393,299	308,080	6,873,527	42,838	79,617,744
Comprises:								
Gross balance amount at 30 June 2021		25,624,700	75,226,663	100,851,363	691,413	11,359,280	42,838	112,944,894
Accumulated depreciation at 30 June 2021		0	(28,458,064)	(28,458,064)	(383,333)	(4,485,753)	0	(33,327,150)
Balance at 30 June 2021		25,624,700	46,768,599	72,393,299	308,080	6,873,527	42,838	79,617,744
Additions		0	43,050	43,050	139,013	1,791,857	976,540	2,950,460
Disposals		0	0	0	0	(317,176)	0	(317,176)
Depreciation	10(a)	0	(1,651,793)	(1,651,793)	(30,929)	(731,933)	0	(2,414,655)
Balance at 30 June 2022		25,624,700	45,159,856	70,784,556	416,164	7,616,275	1,019,378	79,836,373
Comprises:								
Gross balance amount at 30 June 2022		25,624,700	75,269,713	100,894,413	830,426	12,287,293	1,019,378	115,031,510
Accumulated depreciation at 30 June 2022		0	(30,109,857)	(30,109,857)	(414,262)	(4,671,018)	0	(35,195,137)
Balance at 30 June 2022		25,624,700	45,159,856	70,784,556	416,164	7,616,275	1,019,378	79,836,373

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market approach using recent observable data for similar properties in the area	Independent Registered Valuers	June 2020	Price per square metre
Buildings - specialised	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2020	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment

Plant and equipment

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Works in progress	Total Infrastructure
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		215,113,902	12,595,870	47,374,956	21,507,128	0	296,591,856
Additions		4,961,339	265,036	267,393	711,570	139,133	6,344,471
Revaluation increments / (decrements) transferred to revaluation surplus		22,261,731	1,741,133	(1,875,796)	3,103,168	0	25,230,236
Depreciation	10(a)	(3,297,687)	(253,351)	(712,809)	(894,373)	0	(5,158,220)
Balance at 30 June 2021		239,039,285	14,348,688	45,053,744	24,427,493	139,133	323,008,343
Comprises:							
Gross balance at 30 June 2021		295,563,139	18,671,710	70,827,092	30,099,213	139,133	415,300,287
Accumulated depreciation at 30 June 2021		(56,523,854)	(4,323,022)	(25,773,348)	(5,671,720)	0	(92,291,944)
Balance at 30 June 2021		239,039,285	14,348,688	45,053,744	24,427,493	139,133	323,008,343
Additions		2,976,887	533,843	552,719	1,063,609	0	5,127,058
Depreciation	10(a)	(3,634,229)	(268,457)	(774,556)	(693,935)	0	(5,371,177)
Transfers*		0	0	28,445	75,880	(139,133)	(34,808)
Balance at 30 June 2022		238,381,943	14,614,074	44,860,352	24,873,047	0	322,729,416
Comprises:							
Gross balance at 30 June 2022		298,540,026	19,205,553	71,408,256	31,238,702	0	420,392,537
Accumulated depreciation at 30 June 2022		(60,158,083)	(4,591,479)	(26,547,904)	(6,365,655)	0	(97,663,121)
Balance at 30 June 2022		238,381,943	14,614,074	44,860,352	24,873,047	0	322,729,416

*Further analysis of the expenditure that was previously accounted for as works in progress, determined that \$34,808 related to maintenance activities rather than capital works.
As a result, this amount was expensed during the 2021/2022 financial year.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - specialised	8(a)	1,651,793	1,631,055	1,636,831
Furniture and equipment	8(a)	30,929	21,572	24,265
Plant and equipment	8(a)	731,933	656,898	674,387
Infrastructure - roads	9(a)	3,634,229	3,508,785	3,297,687
Infrastructure - footpaths	9(a)	268,457	167,094	253,351
Infrastructure - drainage	9(a)	774,556	501,251	712,809
Infrastructure - parks and ovals	9(a)	693,935	580,465	894,373
Right-of-use assets - furniture and equipment	11(a)	207,799	65,258	204,881
		7,993,631	7,132,378	7,698,584

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	
Structure	30 to 100 years
Fit out	18 to 45 years
Mechanical	18 to 45 years
Roof Cladding	24 to 60 years
Furniture and Equipment	3 to 12 years
Plant and Equipment	3 to 60 years
Sealed Roads and Streets	
Formation	not depreciated
Pavement	70 to 150 years
Surface	15 to 45 years
Kerb	60 to 70 years
Unsealed Roads	
Formation	not depreciated
Surface	15 years
Drainage	60 to 100 years
Bridges	40 to 100 years
Footpaths	15 to 100 years
Heritage Trails	
Formation	not depreciated
Pavement	60 years
Point Items	15 to 100 years
Waste Transfer Stations	15 to 100 years
Bus Shelters	20 to 50 years
Parks Hard Assets	5 to 80 years

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	350,000	1,000,000	650,000	0	0	0	0	0
Plant and equipment	317,176	439,473	122,297	0	710,975	584,019	0	(126,956)	19,281	20,909	1,628	0
	317,176	439,473	122,297	0	1,060,975	1,584,019	650,000	(126,956)	19,281	20,909	1,628	0

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Law, order, public safety	139,250	211,818	72,568	0
Health	12,000	17,121	5,121	0
Community amenities	20,000	23,034	3,034	0
Transport	145,926	187,500	41,574	0
	317,176	439,473	122,297	0

**SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2020		285,695	285,695
Depreciation	10(a)	(204,881)	(204,881)
Balance at 30 June 2021		80,814	80,814
Additions		714,662	714,662
Depreciation	10(a)	(207,799)	(207,799)
Balance at 30 June 2022		587,677	587,677

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	10(a)	(207,799)	(204,881)
Interest expense on lease liabilities	26(b)	(7,841)	(4,907)
Total amount recognised in the statement of comprehensive income		(215,640)	(209,788)
Total cash outflow from leases		(214,606)	(211,171)
(b) Lease Liabilities			
Current		156,853	66,701
Non-current		433,794	16,050
	26(b)	590,647	82,751

The Shire has five leases relating to furniture and equipment. The lease terms range between 3 and 6 years.

The Shire has not revalued the right of use assets relating to leased furniture and equipment as the difference between the fair value and carrying amount is immaterial.

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 26(b).

Right-of-use assets - valuation measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
 1 to 2 years
 2 to 3 years
 3 to 4 years
 4 to 5 years
 > 5 years

2022 Actual \$	2021 Actual \$
440,052	445,308
440,052	440,052
439,752	440,052
439,202	439,752
438,725	439,202
434,632	438,725
2,632,415	2,643,091

The Shire leases community facilities to community groups with rentals payable either monthly or annually. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The community facilities are not considered investment property as they are leased for use in the supply of services to the community.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Bonds and deposits held
 Creditor accruals
 Cash in lieu of POS

2022	2021
\$	\$
1,395,591	1,493,819
1,515,522	1,472,741
679,111	423,201
2,190,363	2,155,086
616,475	511,789
902,682	626,182
7,299,744	6,682,818

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. OTHER LIABILITIES

Current

Contract liabilities
Contract liabilities from transfers for recognisable non financial assets

Non-current

Contract liabilities from transfers for recognisable non financial assets

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Expected satisfaction of contract liabilities from transfers for recognisable non financial assets

Less than 1 year
1 to 2 years

	2022	2021
	\$	\$
Contract liabilities	68,204	56,604
Contract liabilities from transfers for recognisable non financial assets	1,080,048	1,206,848
	1,148,252	1,263,452
Contract liabilities from transfers for recognisable non financial assets	0	440,000
	0	440,000
Opening balance	56,604	64,440
Additions	11,600	43,591
Revenue from contracts with customers included as a contract liability at the start of the period	0	(51,427)
	68,204	56,604
Less than 1 year	1,080,048	1,206,848
1 to 2 years	0	440,000
	1,080,048	1,646,848

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		735,493	8,399,030	9,134,523	700,169	9,134,523	9,834,692
Total secured borrowings	26(a)	735,493	8,399,030	9,134,523	700,169	9,134,523	9,834,692

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Mundaring.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 21. Details of individual borrowings required by regulations are provided at Note 26(a).

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	1,687,211	1,728,942
Long Service Leave	1,848,353	1,868,513
	3,535,564	3,597,455
Non-current provisions		
Long Service Leave	289,321	252,531
	289,321	252,531
	3,824,885	3,849,986

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Note	2022	2021
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,539,165	1,527,003
More than 12 months from reporting date		2,285,720	2,322,983
		3,824,885	3,849,986

Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	131,507	55,583
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SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. OTHER PROVISIONS

	Note	Make good provisions \$	Total \$
Opening balance at 1 July 2021			
Non-current provisions		150,000	150,000
		150,000	150,000
Additional provision		11,200	11,200
Balance at 30 June 2022		161,200	161,200
Comprises			
Non-current		161,200	161,200
		161,200	161,200

Other provisions

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions

Under the licence for the operation of the Mathieson Road Waste Transfer Station, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

The payment of the non-current obligations is expected to be post 27 June 2035 i.e. upon the expiry of the license.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. REVALUATION SURPLUS

	2022 Opening Balance \$	2022 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2022 Closing Balance \$	2021 Opening Balance \$	2021 Revaluation Increment \$	2021 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2021 Closing Balance \$
Revaluation surplus - Plant and equipment	1,627,873	0	0	1,627,873	1,627,873	0	0	0	1,627,873
Revaluation surplus - Land and buildings	48,419,386	0	0	48,419,386	48,419,386	0	0	0	48,419,386
Revaluation surplus - Infrastructure - roads	175,806,318	0	0	175,806,318	153,544,587	22,261,731	0	22,261,731	175,806,318
Revaluation surplus - Infrastructure - footpaths	8,057,073	0	0	8,057,073	6,315,940	1,741,133	0	1,741,133	8,057,073
Revaluation surplus - Infrastructure - drainage	28,976,295	0	0	28,976,295	30,852,091	0	(1,875,796)	(1,875,796)	28,976,295
Revaluation surplus - Infrastructure - parks and ovals	14,897,205	0	0	14,897,205	11,794,037	3,103,168	0	3,103,168	14,897,205
Revaluation surplus - EMRC Asset Valuations	4,642,394	(31,623)	(31,623)	4,610,771	5,156,119	0	(513,725)	(513,725)	4,642,394
	282,426,544	(31,623)	(31,623)	282,394,921	257,710,033	27,106,032	(2,389,521)	24,716,511	282,426,544

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	13,521,307	9,216,605	10,251,439
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	2,754,098	4,581,261	2,718,821
- Financial assets at amortised cost	4	30,154,621	28,587,867	29,398,577
		32,908,719	33,169,128	32,117,398
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	27	30,154,621	30,941,596	29,398,577
Bonds and deposits held		2,190,363	2,227,532	2,155,086
Cash in lieu of POS (pre 10 April 2006)		563,735	0	563,735
Total restricted financial assets		32,908,719	33,169,128	32,117,398

**(b) Reconciliation of Net Result to Net Cash Provided
By Operating Activities**

Net result		5,760,844	535,515	2,771,623
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(6,994)	0	(4,525)
Depreciation/amortisation		7,993,631	7,132,378	7,698,584
(Profit)/loss on sale of asset		(122,297)	(523,044)	(1,628)
Works in progress expensed		34,808	0	0
Share of profits of associates		(999,595)	0	(296,990)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(1,051,927)	0	(746,809)
(Increase)/decrease in other assets		(183,333)	0	(191,514)
(Increase)/decrease in inventories		(42,355)	0	20,351
Increase/(decrease) in trade and other payables		616,926	0	1,270,224
Increase/(decrease) in employee related provisions		(25,101)	0	37,949
Increase/(decrease) in other provisions		11,200	0	0
Increase/(decrease) in other liabilities		(555,200)	0	1,099,012
Non-operating grants, subsidies and contributions		(3,998,121)	(3,013,308)	(3,566,137)
Net cash provided by/(used in) operating activities		7,432,486	4,131,541	8,090,140

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	56,000	56,000
Credit card balance at balance date	(28,060)	(19,136)
Total amount of credit unused	527,940	536,864

Loan facilities

Loan facilities - current	735,493	700,169
Loan facilities - non-current	8,399,030	9,134,523
Total facilities in use at balance date	9,134,523	9,834,692

Unused loan facilities at balance date

0 0

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Councillor James Martin

President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor Paige McNeil

Deputy President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor John Daw (Shire President pre Oct 2021)

President's annual allowance
Meeting attendance fees
ICT expenses
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor Jason Russell (Deputy Shire President pre Oct 2021)

Deputy President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor Doug Jeans

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor Amy Collins

Meeting attendance fees
Child care expenses
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor Matthew Corica

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Councillor Neridah Zlatnik

Meeting attendance fees
Annual allowance for ICT expenses

Councillor Luke Ellery

Meeting attendance fees
Annual allowance for ICT expenses

Councillor Trish Cook

Meeting attendance fees
Child care expenses
Annual allowance for ICT expenses

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor James Martin			
President's annual allowance	37,718	0	0
Meeting attendance fees	26,755	21,557	21,557
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,552	1,000	0
	69,525	26,057	25,057
Councillor Paige McNeil			
Deputy President's annual allowance	9,430	0	0
Meeting attendance fees	15,241	0	0
Annual allowance for ICT expenses	2,475	0	0
Travel and accommodation expenses	2,216	0	0
	29,362	0	0
Councillor John Daw (Shire President pre Oct 2021)			
President's annual allowance	16,041	53,759	53,759
Meeting attendance fees	23,447	27,897	27,892
ICT expenses	0	0	350
Annual allowance for ICT expenses	3,500	4,500	3,500
Travel and accommodation expenses	3,072	1,000	3,741
	46,060	87,156	89,242
Councillor Jason Russell (Deputy Shire President pre Oct 2021)			
Deputy President's annual allowance	4,010	13,440	13,440
Meeting attendance fees	6,432	21,557	21,557
Annual allowance for ICT expenses	1,044	3,500	3,500
Travel and accommodation expenses	0	1,000	0
	11,486	39,497	38,497
Councillor Doug Jeans			
Meeting attendance fees	21,557	21,557	21,557
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	1,000	0
	25,057	26,057	25,057
Councillor Amy Collins			
Meeting attendance fees	21,557	21,557	21,557
Child care expenses	1,807	1,200	1,012
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,807	1,000	838
	28,671	27,257	26,907
Councillor Matthew Corica			
Meeting attendance fees	21,557	21,557	21,557
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	342	1,000	605
	25,399	26,057	25,662
Councillor Neridah Zlatnik			
Meeting attendance fees	15,241	0	0
Annual allowance for ICT expenses	2,475	0	0
	17,716	0	0
Councillor Luke Ellery			
Meeting attendance fees	15,241	0	0
Annual allowance for ICT expenses	2,475	0	0
	17,716	0	0
Councillor Trish Cook			
Meeting attendance fees	15,241	0	0
Child care expenses	944	0	0
Annual allowance for ICT expenses	2,475	0	0
	18,660	0	0

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. RELATED PARTY TRANSACTIONS (Continued)

(a) Elected Member Remuneration (Continued)

Councillor Jo Cicchini

Meeting attendance fees	15,241	0	0
Annual allowance for ICT expenses	2,475	0	0
Travel and accommodation expenses	944	0	0
	18,660	0	0

Councillor Karen Beale

Meeting attendance fees	15,241	0	0
Annual allowance for ICT expenses	2,475	0	0
Travel and accommodation expenses	170	0	0
	17,886	0	0

Councillor Simon Cuthbert (resigned Mar 2022)

Meeting attendance fees	17,964	21,557	21,557
Annual allowance for ICT expenses	2,917	3,500	3,500
Travel and accommodation expenses	0	1,000	0
	20,881	26,057	25,057

Councillor David Lavell (retired Oct 2021)

Meeting attendance fees	6,316	21,557	21,557
Annual allowance for ICT expenses	1,026	3,500	3,500
Travel and accommodation expenses	541	1,000	475
	7,883	26,057	25,532

Councillor Darrell Jones (retired Oct 2021)

Meeting attendance fees	6,316	21,557	21,557
Annual allowance for ICT expenses	1,026	3,500	3,500
Travel and accommodation expenses	711	1,000	745
	8,053	26,057	25,802

Councillor Toni Burbridge (retired Oct 2021)

Meeting attendance fees	6,316	21,557	21,557
Annual allowance for ICT expenses	1,026	3,500	3,500
Travel and accommodation expenses	0	1,000	0
	7,342	26,057	25,057

Councillor Ian Green (retired Oct 2021)

Meeting attendance fees	6,316	21,557	21,557
Annual allowance for ICT expenses	1,026	3,500	3,500
Travel and accommodation expenses	1,215	1,000	0
	8,557	26,057	25,057

Councillor Kate Driver (retired Oct 2021)

Meeting attendance fees	6,316	21,557	21,557
Annual allowance for ICT expenses	1,026	3,500	3,500
Travel and accommodation expenses	270	1,000	1,113
	7,612	26,057	26,170

2022 Actual	2022 Budget	2021 Actual
\$	\$	\$
15,241	0	0
2,475	0	0
944	0	0
18,660	0	0
15,241	0	0
2,475	0	0
170	0	0
17,886	0	0
17,964	21,557	21,557
2,917	3,500	3,500
0	1,000	0
20,881	26,057	25,057
6,316	21,557	21,557
1,026	3,500	3,500
541	1,000	475
7,883	26,057	25,532
6,316	21,557	21,557
1,026	3,500	3,500
711	1,000	745
8,053	26,057	25,802
6,316	21,557	21,557
1,026	3,500	3,500
0	1,000	0
7,342	26,057	25,057
6,316	21,557	21,557
1,026	3,500	3,500
1,215	1,000	0
8,557	26,057	25,057
6,316	21,557	21,557
1,026	3,500	3,500
270	1,000	1,113
7,612	26,057	26,170
386,526	388,423	383,097

Fees, expenses and allowances to be paid or reimbursed to elected council members.

President's annual allowance	53,759	53,759	53,759
Deputy President's annual allowance	13,440	13,440	13,440
Meeting attendance fees	262,295	265,024	265,019
Child care expenses	2,751	1,200	1,012
ICT expenses	0	0	350
Annual allowance for ICT expenses	41,441	43,000	42,000
Travel and accommodation expenses	12,840	12,000	7,517
	386,526	388,423	383,097

19(b)

SHIRE OF MUNDARING
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19. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	1,089,595	1,079,532
Post-employment benefits	101,194	94,485
Employee - other long-term benefits	25,693	25,225
Council member costs	386,526	383,097
19(a)	1,603,009	1,582,339

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

KMP, other than elected members, are entitled to and do utilise the free use of the Shire's Aquatic Centres.

Elected members are provided with food and refreshments before all Council meetings.

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	3,604,098	3,391,517
Payment of Council member costs	386,526	383,097
Distributions received from EMRC	473,761	0

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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20. INVESTMENT IN ASSOCIATES

(a) Investment in associate

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest 2022	% of ownership interest 2021	2022 Actual \$	2021 Actual \$
EMRC	11.53%	10.33%	19,681,971	19,187,760
Total equity-accounted investments			19,681,971	19,187,760

(b) Share of Investment in EMRC

The Shire of Mundaring has a share in the net assets of the Eastern Metropolitan Regional Council (EMRC) as a member council. The EMRC provides services in waste management, resource recovery, environmental management and regional development.

The accounting share applicable to the Shire of Mundaring as at 30 June 2022 as disclosed in the financial statements of the EMRC is \$19,681,971.

This represents the Shire's 11.53% share of the total equity of the EMRC.

Summarised statement of comprehensive income

	2022 Actual \$	2021 Actual \$
Revenue	42,449,284	45,090,716
Expenses	(36,442,392)	(34,794,345)
Profit/(loss) for the period	6,006,892	10,296,371
Other comprehensive income	0	(4,009,286)
Total comprehensive income for the period	6,006,892	6,287,085

Summarised statement of financial position

Current assets	85,207,247	91,484,741
Non-current assets	121,339,609	115,414,742
Total assets	206,546,856	206,899,483
Current liabilities	8,077,758	14,439,344
Non-current liabilities	27,709,744	6,707,161
Total liabilities	35,787,502	21,146,505
Net assets	170,759,354	185,752,978

Carrying amount at 1 July

- Share of associates net profit/(loss) for the period
- Share of associates other comprehensive income arising during the period
- Distribution of equity by associate

Carrying amount at 30 June (Refer to Note 20.(a))

19,187,760	19,404,495
999,595	296,990
(31,623)	(513,725)
(473,761)	0
19,681,971	19,187,760

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

21. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.085%	13,521,307	0	13,516,332	4,975
Financial assets at amortised cost - term deposits	1.33%	31,318,702	31,318,702	0	0
2021					
Cash and cash equivalents	0.05%	10,251,439	0	10,245,839	5,600
Financial assets at amortised cost - term deposits	0.47%	31,229,182	31,229,182	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	135,163	102,458

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26(a).

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,395,767	115,057	112,025	112,049	2,734,898	5
Loss allowance	0	0	0	0	0	
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,028,814	105,010	106,752	207,787	2,448,363	5
Loss allowance	0	0	0	0	0	

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

No expected credit loss was forecast on 30 June 2022 or 30 June 2021 for trades receivables as historical data indicates that any expected credit loss would be immaterial.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	1,393,877	5,940	2,467	60,141	1,462,425	5
Loss allowance	0	0	0	0	0	
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	522,001	20,667	35,446	86,551	664,665	5
Loss allowance	0	0	0	0	0	

Amounts above are exclusive of GST receivable and do not include receivables for employee related provisions.

SHIRE OF MUNDARING
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21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	7,299,744	0	0	7,299,744	7,299,744
Borrowings	1,106,046	4,424,181	5,758,454	11,288,681	9,134,523
Contract Liabilities	1,148,252	0	0	1,148,252	1,148,252
Lease liabilities	156,853	433,794	0	590,647	590,647
	9,710,895	4,857,975	5,758,454	20,327,324	18,173,166
2021					
Trade and other payables	6,682,818	0	0	6,682,818	6,682,818
Borrowings	1,103,182	4,412,729	6,858,773	12,374,684	9,834,692
Contract Liabilities	1,263,452	440,000	0	1,703,452	1,703,452
Lease liabilities	66,701	16,050	0	82,751	82,751
	9,116,153	4,868,779	6,858,773	20,843,705	18,303,713

**SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of resources.	Includes the activities of members of council and the administrative support required for the Council and Shire services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer community.	Supervision and enforcement of legislation and various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Prevention of human illnesses, including inspection of premises/food control.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Operating and maintaining child minding centres and playgroup centres. Provision of services and programs for the youth and seniors of the Shire.
Community amenities To provide essential services required by the community.	Rubbish collection services, operation of waste disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemeteries and public conveniences.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centres, aquatic centres, lake, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, pathways, depots, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
Economic services To help promote the shire and its economic wellbeing.	Tourism and area promotion. Provision of standpipes. Approval of building construction and implementation of statutory building controls.
Other property and services To monitor and control the Shire's overheads operating accounts.	Public works overheads, plant and equipment operations and activities not reported in the above programs.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	352,690	139,500	309,527
General purpose funding	30,576,445	30,666,674	29,546,673
Law, order, public safety	474,684	183,900	160,393
Health	97,176	75,200	109,040
Education and welfare	2,346,297	2,525,000	2,509,413
Community amenities	7,633,929	7,772,720	7,124,553
Recreation and culture	1,300,705	1,846,300	1,269,041
Transport	99,327	16,000	36,722
Economic services	1,330,822	267,900	597,154
Other property and services	530,985	495,675	499,235
	44,743,060	43,988,869	42,161,751
Grants, subsidies and contributions			
Governance	16,000	0	81,000
General purpose funding	3,317,616	1,151,250	2,368,556
Law, order, public safety	1,838,961	414,000	702,495
Education and welfare	3,382,308	3,003,175	3,151,448
Community amenities	0	40,000	54,927
Recreation and culture	887,150	795,414	613,455
Transport	2,365,241	2,372,594	3,230,055
Other property and services	13,617	15,000	14,379
	11,820,893	7,791,433	10,216,315
Total Income	56,563,953	51,780,302	52,378,066
Expenses			
Governance	(4,992,407)	(5,749,538)	(4,589,327)
General purpose funding	(569,357)	(392,428)	(585,755)
Law, order, public safety	(3,260,900)	(2,606,643)	(3,349,282)
Health	(736,728)	(804,465)	(730,226)
Education and welfare	(7,519,707)	(7,813,695)	(7,397,086)
Community amenities	(9,577,988)	(9,378,882)	(9,109,013)
Recreation and culture	(10,559,738)	(10,940,168)	(10,855,538)
Transport	(11,342,743)	(10,993,593)	(10,550,119)
Economic services	(739,924)	(762,849)	(714,452)
Other property and services	(1,503,617)	(1,802,526)	(1,725,645)
Total expenses	(50,803,109)	(51,244,787)	(49,606,443)
Net result for the period	5,760,844	535,515	2,771,623

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	0	35,000	0
General purpose funding	157,755	173,000	25,001
Law, order, public safety	162,141	181,400	164,092
Health	97,176	75,200	109,040
Education and welfare	2,307,585	2,448,000	2,485,124
Community amenities	7,160,771	6,985,935	6,939,257
Recreation and culture	1,226,536	1,178,300	1,200,645
Transport	19,758	16,000	7,095
Economic services	331,227	267,900	362,611
Other property and services	332	1,000	891
	11,463,281	11,361,735	11,293,756
	2022	2021	
	\$	\$	
(d) Total Assets			
Governance	10,853,907	9,669,052	
General purpose funding	48,761,797	45,143,194	
Law, order, public safety	4,499,762	3,849,946	
Health	531,191	558,146	
Education and welfare	2,625,832	2,749,131	
Community amenities	22,232,782	21,659,890	
Recreation and culture	61,832,852	61,625,568	
Transport	301,505,199	302,124,838	
Economic services	45,270	47,957	
Other property and services	21,163,010	21,039,107	
	474,051,602	468,466,829	

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description	Basis of valuation			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GRV - Residential	Gross rental valuation	0.0914000	11,351	208,285,745	19,037,317	85,998	0	19,123,315	2,280,711	0	0	2,280,711	18,523,265
GRV - Commercial	Gross rental valuation	0.0914000	278	24,953,069	2,280,711	10,942	0	2,291,653	1,453,418	0	0	1,453,418	2,220,449
GRV - Light Industrial	Gross rental valuation	0.0914000	288	15,901,728	1,453,418	1,665	0	1,455,083	19,037,317	145,461	0	19,182,778	1,415,527
GRV - Rural Residential	Gross rental valuation	0.0914000	3,085	62,952,322	5,753,842	28,554	0	5,782,396	5,753,842	0	0	5,753,842	5,592,414
UV - Rural	Unimproved valuation	0.0061959	248	144,661,000	896,305	(21,431)	0	874,874	896,305	0	0	896,305	873,952
Sub-Total			15,250	456,753,864	29,421,593	105,728	0	29,527,321	29,421,593	145,461	0	29,567,054	28,625,607
Minimum payment													
GRV - Residential	Gross rental valuation	888	463	3,360,014	411,144	0	0	411,144	2,664	0	0	2,664	387,936
GRV - Commercial	Gross rental valuation	888	3	21,860	2,664	0	0	2,664	888	0	0	888	2,592
GRV - Light Industrial	Gross rental valuation	888	1	8,148	888	0	0	888	411,144	0	0	411,144	864
GRV - Rural Residential	Gross rental valuation	888	72	583,176	63,936	0	0	63,936	63,936	0	0	63,936	60,480
UV - Mining	Unimproved valuation	1,122	4	51,900	4,488	0	0	4,488	4,488	0	0	4,488	4,364
Sub-Total			543	4,025,098	483,120	0	0	483,120	483,120	0	0	483,120	456,236
Total amount raised from general rates			15,793	460,778,962	29,904,713	105,728	0	30,010,441	29,904,713	145,461	0	30,050,174	29,081,843
								30,010,441				30,050,174	29,081,843

* Rateable value is based on the value of properties at the time the rate is raised.

(b) Total Rates

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION (Continued)

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession/Write-off	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Rates	Rate	Write-off	0.00%	0	625	500	6,490
Penalty Interest	Rate	Write-off	0.00%	0	937	5,000	175
Hire fees for sporting and community facilities - 2021 only	Fee and charge	Waiver	25.00%	0	0	0	86,643
					1,562	5,500	93,308
Total discounts/concessions					1,562	5,500	93,308

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	31/08/2021	0	0.00%	7.00%
Option Two				
First instalment	31/08/2021	0	0.00%	7.00%
Second instalment	02/11/2021	9.50	0.00%	7.00%
Third instalment	10/01/2022	9.50	0.00%	7.00%
Fourth instalment	14/03/2022	9.50	0.00%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	215,419	150,000	167,271
Charges on instalment plan	131,666	153,000	0
	347,085	303,000	167,271

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget (30 June 2022 Carried Forward)	2020/21 (30 June 2021 Carried Forward)
Note		\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(b)	(122,297)	(1,628)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(6,994)	(4,525)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	20(b)	(999,595)	(296,990)
Add: Loss on disposal of assets	10(b)	0	0
Add: Depreciation	10(a)	7,993,631	7,698,584
Add: Early repayment received for non-current community group loan		25,000	0
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates		28,220	(107,402)
Employee benefit provisions		29,607	(25,244)
Other provisions		11,200	0
Contract liabilities		(440,000)	0
Works in progress		34,808	0
Non-cash amounts excluded from operating activities		6,553,580	7,262,795
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27	(30,154,620)	(29,398,577)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14	735,493	700,169
- Current portion of lease liabilities	11(b)	156,853	66,701
Total adjustments to net current assets		(29,262,274)	(28,631,707)
Net current assets used in the Rate Setting Statement			
Total current assets		49,830,278	45,147,238
Less: Total current liabilities		(12,875,906)	(12,310,595)
Less: Total adjustments to net current assets		(29,262,274)	(28,631,707)
Net current assets used in the Rate Setting Statement		7,692,098	4,204,936

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Borrowings		Actual							Budget			
Purpose	Note	Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Civic Facility Redevelopment		3,115,262	0	(301,722)	2,813,540	0	(323,372)	2,490,168	2,813,540	0	(323,372)	2,490,168
Community Building Projects		7,386,207	0	(365,055)	7,021,152	0	(376,797)	6,644,355	7,021,152	0	(376,797)	6,644,355
Total		10,501,469	0	(666,777)	9,834,692	0	(700,169)	9,134,523	9,834,692	0	(700,169)	9,134,523
Borrowing Interest Repayments												
Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021				
						\$	\$	\$				
Civic Facility Redevelopment		Governance	170	WATC	6.95%	(185,369)	(185,369)	(207,020)				
Community Building Projects		Recreation and culture	171	WATC	3.17%	(217,127)	(217,127)	(228,869)				
Total						(402,496)	(402,496)	(435,889)				
Total Interest Repayments		2(b)				(402,496)	(402,496)	(435,889)				

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Data Centres (servers) x 2		100,389	0	(100,389)	0	0	0	0	3,795	0	0	3,795
Security Appliance & Software		93,775	0	(39,401)	54,374	0	(40,579)	13,795	52,135	0	(41,640)	10,495
KSP Library Scanning/Electronics		0	0	0	0	0	0	0	0	0	0	0
Telvic Microphone System		42,634	0	(29,906)	12,728	0	(12,728)	0	11,854	0	(11,854)	0
Photocopier/Printers		46,858	0	(35,027)	11,831	0	(11,831)	0	11,218	0	(11,218)	0
Photocopier/Printers		5,359	0	(1,541)	3,818	0	(1,563)	2,255	3,750	0	(1,609)	2,141
Data Centres (servers) x 2 *		0	0	0	0	714,661	(140,064)	574,597	0	0	0	0
Total Lease Liabilities	11(b)	289,015	0	(206,264)	82,751	714,661	(206,765)	590,647	82,752	0	(66,321)	16,431

* Whilst a provision for the repayments for the new lease was included in the adopted 2021-22 budget, the required disclosures under AASB16 for the new lease were not included in the adopted budget.

SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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26. BORROWING AND LEASE LIABILITIES (Continued)

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
						\$	\$	\$	
Data Centres (servers) x 2		Governance	1	HP Financial*	3.33%	0	0	(1,112)	60 months
Security Appliance & Software		Governance	2	HP Financial	2.99%	(1,060)	(1,061)	(2,239)	60 months
KSP Library Scanning/Electronics		Recreation and culture	3	HP Financial	4.11%	0	0	0	36 months
Telvic Microphone System		Governance	4	HP Financial	3.05%	(97)	(97)	(874)	36 months
Photocopier/Printers		Governance	5	Konica Minolta**	2.00%	(50)	(50)	(613)	60 months
Photocopier/Printers		Governance	6	Konica Minolta	1.50%	(46)	(46)	(69)	43 months
Data Centres (servers) x 2 *		Governance	7	HP Financial	1.02%	(6,588)	0	0	60 months
Total Interest Repayments	2(b)					(7,841)	(1,254)	(4,907)	

*HP Financial Services (Australia P/L)

**Konica Minolta Business Solutions

SHIRE OF MUNDARING
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27. RESERVE ACCOUNTS

Restricted by legislation/agreement

- (a) Reserves cash backed - Telecommunications Facility Bailup Reserve
(b) Reserves cash backed - Cash in lieu of Public Open Space

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Telecommunications Facility Bailup Reserve	20,217	706	0	20,923	20,194	10,097	0	30,291	8,830	11,387	0	20,217
(b) Reserves cash backed - Cash in lieu of Public Open Space	62,447	277,405	0	339,852	3,368,354	16,129	0	3,384,483	0	62,447	0	62,447
	82,664	278,111	0	360,775	3,388,548	26,226	0	3,414,774	8,830	73,834	0	82,664
Restricted by council												
(c) Reserves cash backed - Leave reserve	613,918	211,323	(446,253)	378,988	632,665	213,029	(258,000)	587,694	334,482	644,961	(365,525)	613,918
(d) Reserves cash backed - Civic Facilities Reserve	10,932,123	545,116	(188,749)	11,288,490	10,800,398	551,716	(388,749)	10,963,365	9,576,301	1,562,842	(207,020)	10,932,123
(e) Reserves cash backed - Information Technology Reserve	1,005,307	53,101	(204,600)	853,808	1,007,092	54,822	(150,000)	911,914	1,080,252	56,055	(131,000)	1,005,307
(f) Reserves cash backed - Childrens Services Reserve	3,156,930	10,150	(154,877)	3,012,203	3,104,719	14,867	(200,000)	2,919,586	2,713,189	443,741	0	3,156,930
(g) Reserves cash backed - Capital Investment Reserve	3,896,605	0	0	3,896,605	3,896,606	1,000,000	0	4,896,606	3,896,605	0	0	3,896,605
(h) Reserves cash backed - Capital Income Reserve	4,665,488	449,773	(44,386)	5,070,875	4,420,449	413,842	(649,500)	4,184,791	4,301,554	363,934	0	4,665,488
(i) Reserves cash backed - Gravel Pit Rehabilitation Reserve	60,779	204	0	60,983	60,871	291	0	61,162	60,431	348	0	60,779
(j) Reserves cash backed - Plant Reserve	1,813,262	744,723	(421,650)	2,136,335	1,224,403	743,997	(939,476)	1,028,924	1,138,731	737,439	(62,908)	1,813,262
(k) Reserves cash backed - Unspent Grants Reserves	1,706,953	0	(714,100)	992,853	473,000	0	(473,000)	0	637,440	1,069,513	0	1,706,953
(l) Reserves cash backed - Waste management reserve	1,464,548	638,158	0	2,102,706	1,465,761	507,019	0	1,972,780	1,455,200	9,348	0	1,464,548
	29,315,913	2,652,548	(2,174,615)	29,793,846	27,085,964	3,499,583	(3,058,725)	27,526,822	25,194,185	4,888,181	(766,453)	29,315,913
	29,398,577	2,930,659	(2,174,615)	30,154,621	30,474,512	3,525,809	(3,058,725)	30,941,596	25,203,015	4,962,015	(766,453)	29,398,577

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Telecommunications Facility Bailup Reserve	Ongoing	To maintain the grounds and facilities of the reserve. Where there are surplus reserve funds, to maintain the grounds and facilities of other reserves within the locality
(b) Reserves cash backed - Cash in lieu of Public Open Space	Ongoing	Hold cash received in lieu of public open space.
(c) Reserves cash backed - Leave reserve	Ongoing	To fund the Shire's Long Service Leave Liability.
(d) Reserves cash backed - Civic Facilities Reserve	Ongoing	To fund the construction and/or purchase of public buildings and facilities.
(e) Reserves cash backed - Information Technology Reserve	Ongoing	To fund the upgrade and replacement of the Shire's information technology.
(f) Reserves cash backed - Childrens Services Reserve	Ongoing	To provide funds for the purchase of capital items, preventative maintenance for Children Service's buildings and employee entitlements.
(g) Reserves cash backed - Capital Investment Reserve	Ongoing	To fund the advancement of the Shire's Property Strategy.
(h) Reserves cash backed - Capital Income Reserve	Ongoing	To fund the development of Shire facilities and infrastructure.
(i) Reserves cash backed - Gravel Pit Rehabilitation Reserve	Ongoing	To fund the production of gravel and the rehabilitation of gravel pits.
(j) Reserves cash backed - Plant Reserve	Ongoing	To fund the replacement and purchase of works plant and light vehicles.
(k) Reserves cash backed - Unspent Grants Reserves	Ongoing	To quarantine any unspent grant funds at the end of each financial year.
(l) Reserves cash backed - Waste management reserve	Ongoing	To fund capital costs and any operating deficits associated with the provision of the Shire's waste management services.

SHIRE OF MUNDARING
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FOR THE YEAR ENDED 30 JUNE 2022

28. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Public Open Space Contributions	2,748,479	3,006	(217,883)	2,533,602
BAL Grant (City of Perth LMDRF)	0	14,013	(2,266)	11,747
	2,748,479	17,019	(220,149)	2,545,349

**SHIRE OF MUNDARING
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29. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2021/22 financial year.

30. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2021/2022 financial year.

31. SUBSEQUENT EVENTS

There have been no material events after the end of the reporting period that would require an adjustment or disclosure in the financial report.

32. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire has two listed sites which may be potentially contaminated. Details of the sites are:

- 440 Strettle Road, Glen Forrest, 6071
- Road Reserve, Sawyers Valley, 6074

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Mundaring

To the Councillors of the Shire of Mundaring

Opinion

I have audited the financial report of the Shire of Mundaring (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

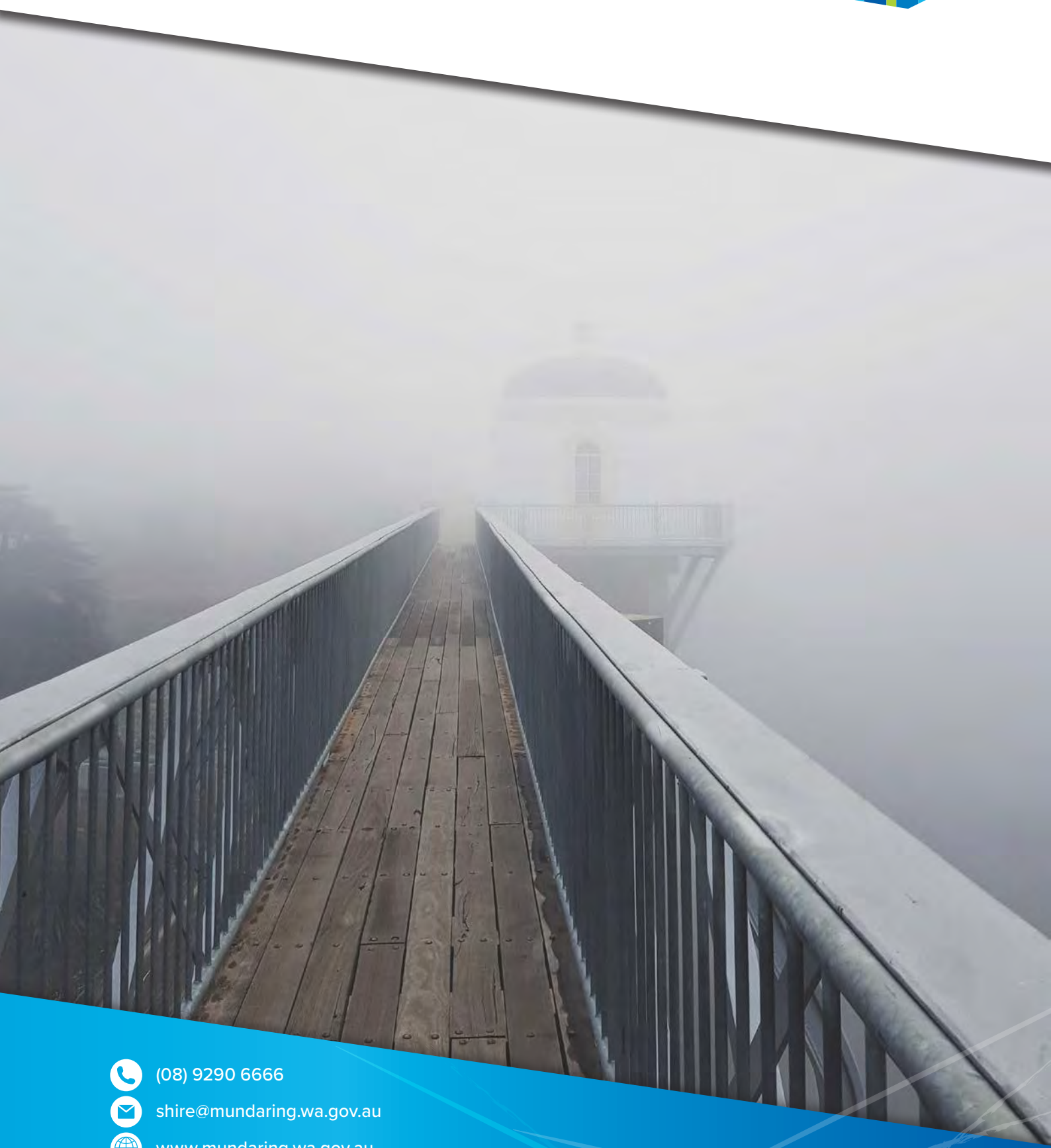
This auditor's report relates to the financial report of the Shire of Mundaring for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Nayna Raniga
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 December 2022



“... Moving forward, the Shire’s overall operating budget of \$56.9 million for 2022/2023 will deliver a range of key projects upgrades...”



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